

FY 2001

RESULTS REVIEW AND RESOURCE REQUEST

USAID/POLAND

March, 1999

- The attached results information is from the FY 2001 Results Review and Resource Request (R4) for Poland.
- The R4 is a “pre-decisional” USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from: Bruce J. Odell, Program Officer, USAID/Poland.
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Please Note:

The attached FY 2001 Results Review and Resource Request ("R4") was assembled and analyzed by the country or USAID operating unit identified on this cover page.

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**USAID/POLAND
MEMORANDUM**

Date: March 24, 1999

To: Donald Pressley, Assistant Administrator for Europe and the New Independent States

From: William Frej, Mission Director

Subject: FY2001 Results Review and Resource Request

I am pleased to present for your review USAID/Poland's FY 2001 R4, which I expect will be the last such document before program graduation in 2000. As you are aware from your recent visit to Warsaw, the program is making excellent progress on all fronts and we are on-track for an orderly and successful closeout.

Much of our attention in the coming year will be devoted to (a) bringing our strategic objectives to, and over, the threshold of successful achievement and (b) preparing to share the story of Poland's success with others in the region and in the United States. In the case of our activities in private sector, particularly SME, development and creation of effective financial institutions, we are now mostly fine-tuning our program plan to maximize impact. The Local Government Partnership Program--the flagship program in SO 2.3--is in mid implementation, and this complex and ambitious project has picked up speed slower than I would have liked. I believe we have turned the corner now, and we can look forward to significant movement over the course of this year. Our pension reform assistance is on track, especially now that rapport with the GOP's new pension funds regulatory agency has improved. Many private pension funds are up and operating, buoyed by big-budget advertising campaigns. And we are working hard to launch the new social sector communications project, the Development Credit Authority, and the GCC policy program—essentially, the last major new starts of the Poland program.

As we wrap up our program portfolio, we are also working on USAID/Poland's legacy. We are giving top priority and attention to the PAUCI and Polish Know How Fund "East-East" initiatives, setting up a series of project close out events in conjunction with USIS, and creating both AID-internal and public-interest documentation to recount the achievements of this transition and development success story.

The Mission's Performance Monitoring Plan has been adjusted in line with new Agency guidance on simplified reporting and reliance only on those (limited) indicators needed for management decision making. The new PMP reflects the maturation of the USAID program in Poland, and our focus now on achieving, and recording, achievement at the Strategic Objective level as we enter the last two fiscal years of the program.

Changes in aspects of the PMP are discussed in the following SO narratives, as appropriate. Intermediate results under SO 1.3 were refined to reflect the Mission's focus on small and medium enterprise development, but this adjustment does not require Washington approval.

The Mission has prepared an Operational Closeout Plan, which supplements the Mission's program assistance closeout plan approved in 1998. The operational plan is being forwarded under separate cover.

As any program approaches its termination, the temptation to divert resources--both financial and human--can increase. I think it is critical that the FY 99 budget of \$20 million remains intact, and that the FY 99 OE budget be restored to the OYB request level of \$1.935 million, especially in view of the fact that our OE needs will increase somewhat in FY 2000 as we cope with the one-time costs of closeout. I also ask your help in ensuring that USAID/Poland continues to receive the staffing support it needs to keep our first-rate American and Polish team in place through the closeout process.

Finally, through diligent spadework both here and in Washington, we have identified substantial deobligations from expired programs. The Embassy and USAID ask your support in giving the Poland program the first option for use of these funds. We see several problems that have become more sharply etched in the latter stages of Poland's transition—social sector reform (especially in health and education), rural poverty and agricultural backwardness, and corruption—and on which American perspectives and talents could help provide valuable solutions. The Ambassador views use of the deob-reob authority for Poland in these targeted areas as potentially very important, and would endorse a continuation of limited USAID activity through the end of FY 2001 to make focussed but meaningful impact.

cc: Ambassador Daniel Fried

FY 2001 Results Review and Resource Request

USAID/Poland

Part I: Overview and Factors Affecting Program Performance

Poland continued its transition forward momentum in 1998, and the USAID program entered its final stages for scheduled graduation in FY 2000.¹ The program met or exceeded its broad strategic targets for the year as laid out in the approved Strategic Plan.

There were no serious adverse factors affecting program performance, and several positive ones. Poland was accepted into NATO, further reinforcing international (and especially foreign investor) confidence in the country. Elections were held at the local and regional levels, further affirming a functioning, multiparty democracy. Inflation and interest rates eased, and unemployment fell through most of the year. The Government of Poland (GOP) continued a fast pace of reform in several sectors: decentralization and devolution to local governments; pension, health, and, preliminarily, education reform; and coal mine restructuring. Privatization (e.g. of banks, insurance companies) also continued in 1998, but at a slower rate than hoped. Overall, the large agenda of sectoral reforms stretched the political cohesion of the coalition government, especially when exacerbated by brief but intense strikes and demonstrations by farmers, miners, and health workers, *inter alia*. As often noted, few governments in the region would have attempted the broad range of reforms underway at one time, rather than in series; this activist agenda attests to the GOP's serious intent to complete the core elements of national political and economic transition. The GOP has approached USAID to assist in improving its strategic communications processes—media outreach and public feedback—firstly, in the social reform areas. In its haste to catch up on completing the long-delayed policy reform agenda, the GOP arguably has moved out ahead of the citizenry, who inadequately understand or, in some cases, support the breadth and depth of the individual reforms. Our assistance, together with that of the World Bank, would (and in the case of pension reform, already do) mitigate these communications gaps.

USAID support for strengthened bank supervision has helped so far to inoculate Poland from the worst effects of the world financial turmoil. An ever-improving enabling environment for small and medium enterprise development has helped SMEs expand and absorb labor from restructured large scale businesses—and helped create a burgeoning, entrepreneurial middle class. USAID help in facilitating local governance—through better laws and more able municipal governments—is bringing political empowerment to the grassroots. This progress reinforces the Mission's view that the FY 2000 graduation target remains valid, and that the Agency will have essentially attained its transition objectives of a decade ago. Even the expected 1999 cooling off of the impressive

¹ FY 2000 graduation for these purposes includes the planned six-month delay in close out of the Local Government Partnership Program, in March, 2001, already approved.

economic growth over the past five years is not expected to materially affect Poland's ability to continue and consolidate its post-Communist transition, although issues such as corruption and relative rural poverty will have to be watched closely in coming years.

With the exception of some FY 1999 carryover funding, in large part to remain within the forward-funding guidelines for the SO 2.3 Local Government Partnership Program, which will end six months later than the rest of the Poland program, all major funding commitments will be completed by mid 1999. No FY 2000 program funds are being sought, and no substantive changes to USAID/Warsaw's management contract with ENI Bureau are requested. Programmatic close out is following the plan laid out two years ago and approved with the FY 2000 R4, excepting relatively short term activity extensions approved under the authority of the Mission Director. An Operational Closeout Plan has been prepared, indicating that mission shut-down can be satisfactorily achieved by September 30, 1999.² The latest activity close out schedule is included in a special information annex, per R4 instructions.

At this juncture, the most important single legacy institution following behind the USAID program is likely to be the Polish American Freedom Foundation (working title), a new endowment growing out of the financially successful Polish American Enterprise Fund (PAEF), now entering its wind-down phase. Action for conceptualization and design of this program rests with USAID/Washington and the State Department. USAID/Warsaw reaffirms its offer to help bridge to the new foundation and ease its start up, once the mandate and operational parameters of the foundation are finally set. Otherwise, in the three strategic sectors in which USAID has been most active, we assess that significant institutionalization has already been achieved: DemNet-supported NGOs have added policy advocacy to their community service functions. Regulatory and supervisory agencies, such as the Water Standards Board, the General Inspectorate of the National Bank, and the Energy Regulatory Agency, have either been established or greatly strengthened with USAID support. SME business support organizations blanket the country with a range of client services. Local government, especially at the lowest (*gmina*) governance level, are increasingly better enabled to meet the needs of their citizenry in cost effective ways, although the broadest impact of our programs is to be felt in the next year or two.

Transcending, and drawing from, USAID's experience in all three strategic areas is our ongoing support to the Poland/America/Ukraine Cooperation Initiative (PAUCI) and our planned assistance to the Polish Know-How Fund. PAUCI is perhaps USAID/Poland's most tangible involvement so far in "east-east" initiatives, bringing Poland's successful transition experience—and, even more critically, knowledgeable experts and institutions—to bear on the problems of other post-Communist states in the region. The PKHF is the GOP's chosen instrument for bilateral east-east outreach, and USAID is offering \$600,000 in seed capital to complement the GOP's own multimillion dollar funding of PKHF in 1999. Both PAUCI and PKHF will occupy much of USAID/Poland's attention in the coming year.

² A few EXO staff may be extended into the first three months of FY 2001 for property disposal. We expect these costs to be met out of FY 2000 OE on a forward-funded basis.

Part II: Strategic Objectives
Narratives and Performance & Indicator Tables

Strategic Objective 1.3

Private Sector Development Stimulated at the Firm Level

S.O. Summary: S.O. 1.3 aims to develop the private sector in Poland by 1) ensuring laws and regulations are conducive to the growth of SMEs (defined as businesses with fewer than 250 employees), including the creation of a market-oriented energy sector, and 2) supporting a number of indigenous institutions required to maintain long-term assistance to the sector – business support organizations (BSOs), management training institutions, and some specialist providers in pollution prevention, energy efficiency, and manufacturing technology transfer.

Key Results: There are two higher level intermediate results: 1) **policies, laws and regulations** are conducive to broad-based competition and private sector growth, and are efficiently administered; and 2) a sustainable and client-responsive **business support infrastructure** is developed. The activities of the S.O. contribute to two Strategic Plan for International Affairs categories: #3 “Open foreign markets to free the flow of goods, services and capital”; and #6 “Promote broad-based economic growth in developing and transitional economies”.

Performance and Prospects: Strengthening the SME overall enabling environment will be concluded successfully over the coming 12 months. Progress met or exceeded expectations, excepting a slower than expected start in the new manufacturing technology transfer program. As a general bellwether of success, the European Commission gave Polish SME laws and regulations the pre-accession “green light” at the end of 1998. Poland’s readiness to meet these standards is attributable to USAID assistance. Competitive pressures facing Polish SMEs have, however, increased over 1998.

The Mission is confident that the conclusion of AID assistance to the Polish small business sector will leave in place the principal elements of a functional SME support system of BSOs, training institutions, and a less restrictive policy framework that acknowledges the particularities of SMEs. This task is likely to be difficult in the case of technology transfer centers, for which assistance started at the end of FY98. Their worse-than-expected technical and business situation has led to a re-appraisal of the project’s prospects and expectations for assistance impact need to be lowered.

The S.O. results framework has just been revised at the IR level and the number of indicators reduced and revised to reflect our focus on SME development rather than the private sector as a whole. A copy of the updated framework follows this section. A USAID-sponsored national survey, whose usefulness had proven to be unsatisfactory, will no longer be used. Indicators are being maintained that track policy change, the progress of intermediary support institutions, and the health of the SME sector in general - the principal areas of USAID activity in the lead-up to graduation. Prior to graduation the Mission will carry out a formal review of the sector and of USAID’s impact on it.

S.O. 1.3 activities have concentrated on ensuring cooperation among key players of SME and energy sector reform to allow for continuation of their efforts after USAID close out:

- the Ministry of the Economy, Polish business associations, and the Parliamentary SME Committee have worked collaboratively to introduce before Parliament a draft Economic Activity Law. It will regulate the basic conditions in which business activities are conducted in Poland;
- coalitions of up to 50 business associations to lobby for simplification of tax regulations and changes to the Labor Code may have been unsuccessful in their first approach in 1998, but the disparate associations have found a way to cooperate on issues of importance to SMEs and give small business a more effective voice;
- with AID support, the Energy Regulatory Authority has licensed over 1,000 energy sector enterprises and launched the process of reviewing and approving enterprise (local “monopoly”) tariff applications; in parallel, USAID is assisting a regional association of about 60 district heating companies in the tariff application process.

Work to strengthen BSOs has also continued successfully, especially by ensuring they expand their client base, introduce client referral / non-compete agreements, and reduce reliance on grant funding -- making operating revenue cover operating expenses. Over the coming year work will continue to make the BSOs, technology transfer centers, pollution prevention centers, and energy efficiency BSOs part of a national network of cooperating SME support organizations. Parallel efforts continue to create links between the Polish BSOs and their U.S. equivalents aiming to provide the BSOs with client leads and a network available to U.S. companies wishing to do business in Poland.

USAID continues to work with a 33-member association of local loan guarantee funds and the Polish government to improve loan guarantee operations in Poland. BSOs have been participating in “investment days” before panels of banks and other financial institutions, with 50% of the projects presented receiving financing. Fundusz Mikro continues to expand its microfinance activities and currently has over 8,000 active clients and has provided over 21,000 loans.

Negotiations are being conducted under USAID’s Development Credit Authority with Bank Slaski, a major Polish financial institution, to develop a loan facility for commercial projects that have significant impact on greenhouse gas reduction. Agreement is expected in early spring 1999.

Possible Adjustment to Plans: None.

Other Donor Programs: Involvement in the SME sector by donors other than USAID continues to be limited. The number of JICA advisors at the Ministry of the Economy has dropped from three to one. EU Phare tangentially supports the sector as part of regional development, trans-border, and structural programs. EU support to BSOs has almost entirely ceased, and the manner of the withdrawal of the assistance in 1995/96 was strongly criticized by the European Court of Auditors. The World Bank has expressed interest in continuing support to the Energy Regulatory Authority through its Energy Sector Management Assistance Program once USAID funding concludes at the end of FY99.

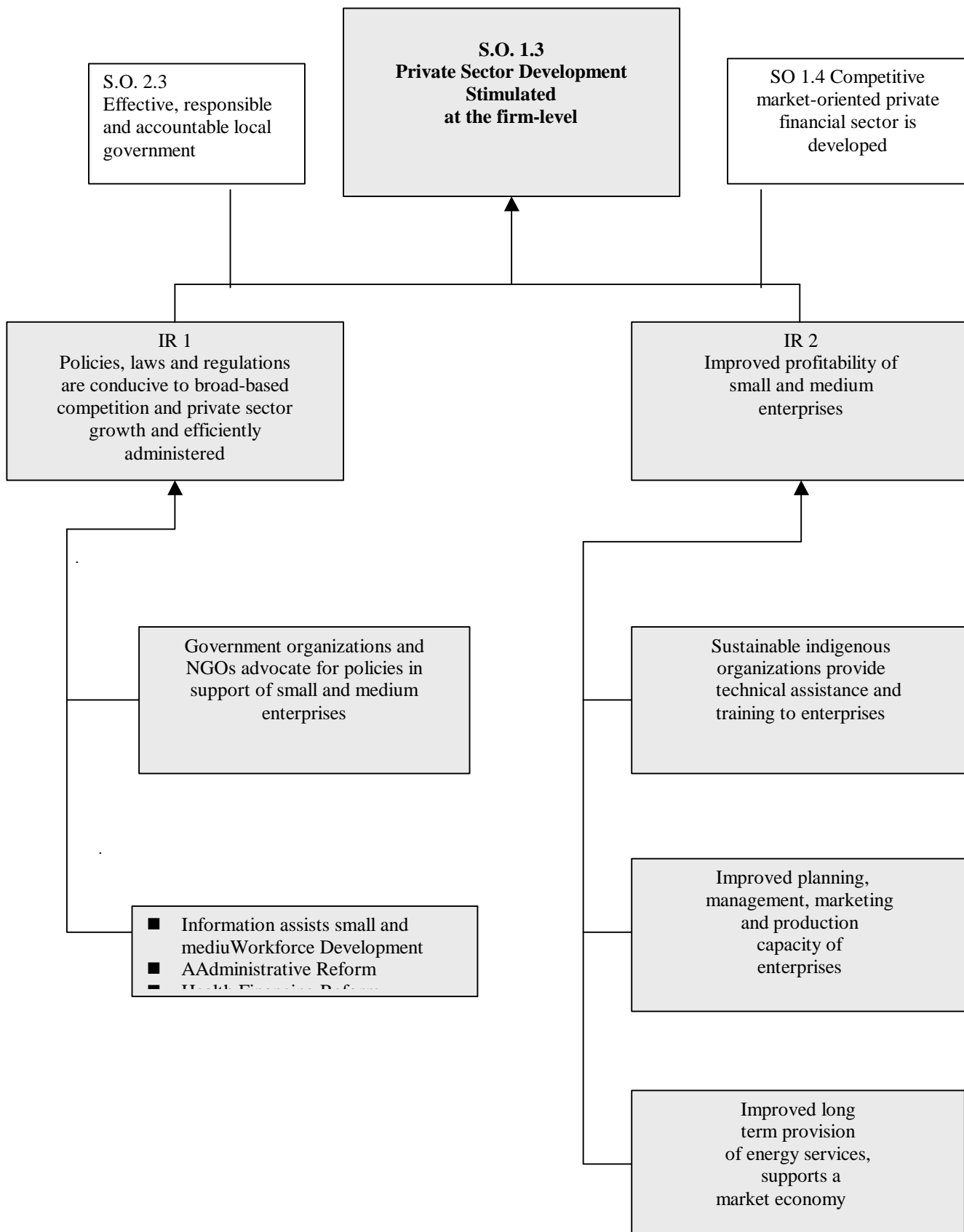
Objective: S.O. 1.3			
Approved: May 1996 Country / Organization: Poland / USAID			
Result Name: Private Sector Development is Stimulated at the Firm Level			
Indicator (SO level): Private sector share of employment			
Unit of Measure: % of total labor force Source: Central Statistical Office Indicator Description: Share of national employment provided by private firms (those with predominant private ownership) Comments: Data concerns all employment (including agriculture-related employment and firms with employment of over 250 – the maximum limit of the SME category). SMEs outside the agricultural sector make up 78.2% of the total private sector work force. The private sector share of total employment does not directly measure progress in the SME sector. The importance of SME employment and growth overall in the private sector in Poland (especially in comparison to the sluggish public sector) have lead the S.O. Team to assume that overall growth in employment is driven by growth in SME employment. Thus the indicator is seen to reflect overall business trends in the SME sector. Data for this indicator is generally available in time for the R4 submission. The demographic peak in Poland currently lies with persons born in 1983-84 who are likely to join the labor force within the next two to five years. Continued job shedding in large state enterprises and a need to create considerable non-agricultural employment in rural areas are making it imperative – and also very hard - to maintain the downward trend of unemployment. Growth of small business is seen as one of the solutions to this problem. Unemployment statistics dipped to a national average of 10.4% at the end of 1998, although considerable regional variations persist and unemployment is again rising.	YEAR	Planned	Actual
	1990 (B)		46%
	1994		61%
	1995		62.4%
	1996	64%	64%
	1997	65%	68.9%
	1998	70%	TBD
	1999	73%	

Objective: S.O. 1.3			
Approved: May 1996 Country / Organization: Poland / USAID			
Result Name: Private Sector Development is Stimulated at the Firm Level			
Indicator (IR 1): Laws enacted with broad and positive impact on SMEs			
Unit of Measure: Number of laws / amendments passed out of a total 14 targeted Source: USAID Gemini Small Business Project, Elektrotek Indicator Description: Laws and their amendments passed by Parliament that have a broad impact on SMEs Comments: The thermomodernization law was passed with active support of Elektrotek to its sub-grantee KAPE, which was responsible for drafting the law. The law provides for government subsidy of energy efficiency investments in housing units, local heat source and supply systems, and of conversion to unconventional energy sources. It will provide considerable work to SMEs involved in construction, services, energy audits, and promotion and implementation of energy efficient technologies. Laws reported on earlier include: anti-trust law; collateral law; condominium law; rental reform law, tax related legislative acts (PIT, CIT, VAT), banking law, energy law, public procurement law, SME policy 1995-97. The S.O. Team had earlier targeted the Sureties and Guarantee Act as one of its 14 laws. Although assistance was provided on this topic, it has become clear that the Government of Poland did not make use of the results of the work. The S.O. Team has replaced it with the thermomodernization law. The S.O. Team remains optimistic that its 1999 target will be met. The 1999-2002 SME Policy is to be adopted within a matter of weeks, and prospects for passage of the Industry Law in the fall of 1999 are growing stronger. The Treasury project to review tax administration has picked up speed at the end of 1998, and a coalition of business associations is working with the Parliamentary SME committee to amend the Labor Code.	YEAR	Planned	Actual
	1990 (B)		0
	1996	6	6
	1997	8	9
	1998	10	10
	1999	12	
	2000	14	

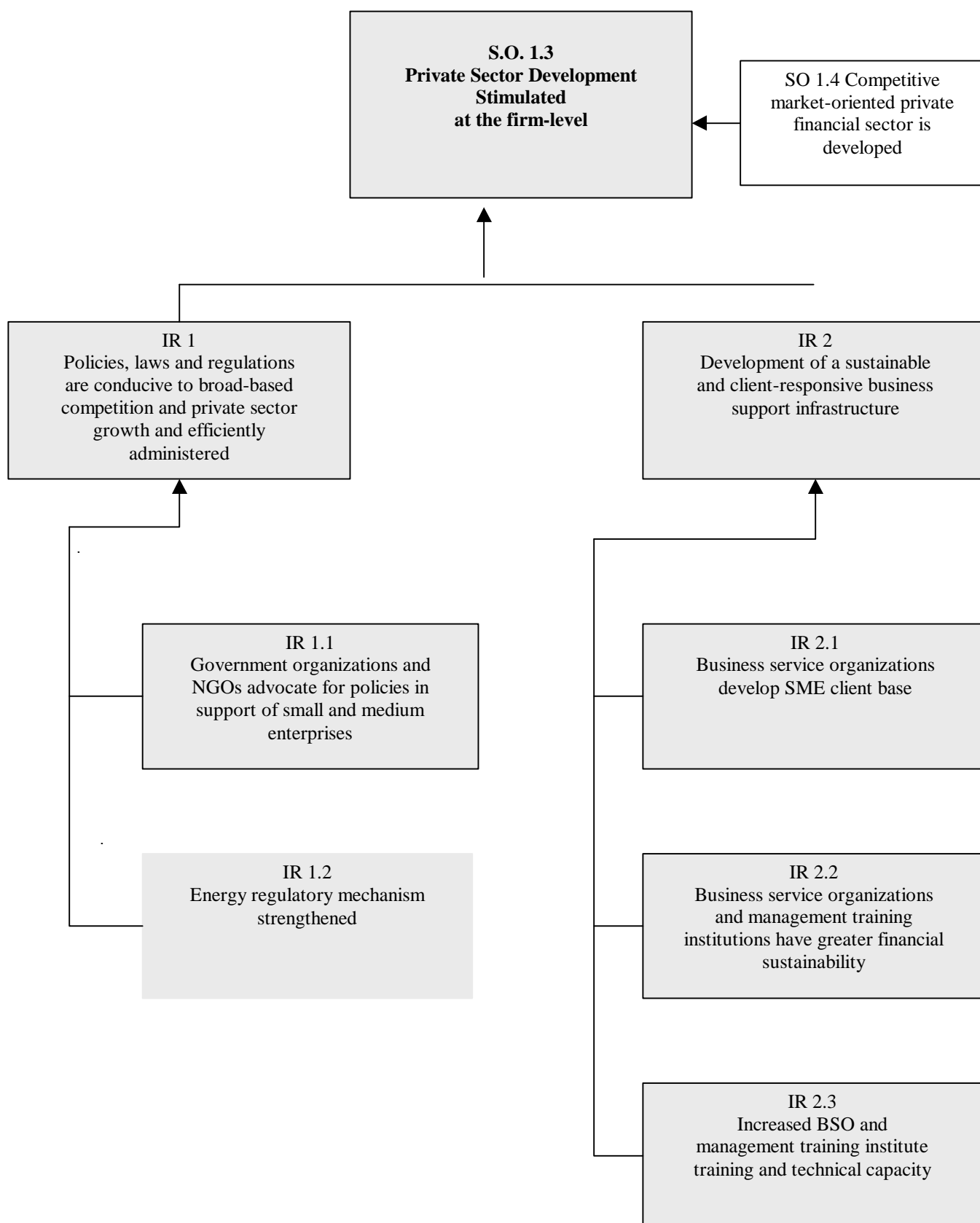
Objective: S.O. 1.3 Approved: May 1996 Country / Organization: Poland / USAID			
Result Name: Private Sector Development is Stimulated at the Firm Level			
Indicator (IR 2.2.a): Business support organizations have greater financial sustainability			
Unit of Measure: Cumulative number of targeted business support organizations that are sustainable Source: FIRMA 2000; CHF; Fabrykat 2000; WEC; Elektrotek Indicator Description: Independent organizations that provide business services to SMEs are capable of providing quality services beyond the termination of USAID / Poland financial support Comments: The following organizations were determined to be sustainable in 1998: one pollution prevention center (Atmoterm), two energy efficiency BSOs (WUTAC and NAPE), and 15 BSOs supported under FIRMA 2000 (ARR Gorzow Wlkp., ARR Torun, Doradca, JMB Lodz, Gdynia CWB, Kartuzy CWB, MARR Mielec, Odnowa Suwalki, Plock CWB, Rzeszow MIG, SIP-H Kielce, Skrzynsko BMCG, SWP Gdansk, Wroclaw CWB, ZSRG Szczecin) The list of institutions deemed sustainable in previous years is provided in the FY2000 R4. Criteria used to determine sustainability include financial, programmatic, and institutional components. For financial sustainability, operating expenses must be covered by operating expenses. Sustainability of individual BSOs is in part dependent on their ability to work as part of a network and concentration of assistance on building a client referral and cooperation system attractive on business grounds proceeds.	YEAR	Planned	Actual
	1996 (B)	13	13
	1997	20	28
	1998	40	46
	1999	52	
	2000	55	

Objective: S.O. 1.3 Approved: May 1996 Country / Organization: Poland / USAID			
Result Name: Private Sector Development is Stimulated at the Firm Level			
Indicator (IR 2.2.b): Management training institutions have greater financial sustainability			
Unit of Measure: Cumulative number of sustainable training institutions Source: University of Lodz (PAM Center); Warsaw School of Economics; Olsztyn University of Agriculture and Technology; OIC-Poland Indicator Description: Management training institutions that earn sufficient fees for long-term survival Comments: Institutions deemed sustainable include Small Business Institute, Rzeszow; Warsaw University International Postgraduate MBA Program; Central Connecticut State University/ Wroclaw and CCSU/ Gdansk. In 1998, OIC-Poland in Lublin successfully graduated from USAID assistance. Assistance continues to three management training institutions: <ul style="list-style-type: none"> University of Lodz / Maryland: in 1998, 24% of revenue came from the USAID grant, fees and the host institution covered the rest. In 1999, only 10% of revenue will come from USAID funds; Warsaw School of Economics / Minnesota: in 1998 the USAID grant made up 39.8% of revenue, in 1999 it will be 22.1%; Olsztyn University of Agriculture and Technology / Minnesota: in 1998 the average contribution to three separate programs was 25%; in 1999 two of the three will be receiving all their funding from non-grant sources, with the third and newest course lowering its USAID support to 30% of revenue. In the FY2000 R4, the target number of management training institutions was raised to ten. Review of the results framework has lead the S.O. Team to determine that the limited scope of assistance to two of the institutions makes it impossible to attribute two of the management training institutions to USAID support. The target number is thus revised to the original eight sustainable institutions by 1999, a target the Team feels confident will be reached.	YEAR	Planned	Actual
	1990 (B)		0
	1996		4
	1997	4	4
	1998	5	5
	1999	8	

SO 1.3 Results Framework (old)



SO 1.3 Results Framework (new)



Strategic Objective 1.4:

Building a Competitive, Market-Oriented Private Financial Sector

S.O. Summary: The purpose of this S.O. is to help Poland develop a sound, efficient financial sector with: (1) well-functioning supervisory and regulatory structures over financial markets; (2) access to reliable financial information; (3) a competitive banking system dominated by private banks and other financial institutions; and (4) availability of basic financial products and services. This was largely lacking when Poland began its transition to a market economy in 1989. Ultimate beneficiaries of S.O. 1.4 include financial intermediaries, domestic and foreign investors, businesses and consumers.

Key Results: Three key intermediate results are needed to achieve the S.O.: increased public **confidence** in financial sector institutions; improved **efficiencies** in financial markets; and increased **availability** of financial services and products.

Performance and Prospects: A decade into the transition, Poland's financial sector has reached a level of maturity that indicates sustainable achievement of S.O. 1.4. Evidence of this is seen in the impact of global financial crises on Poland's financial sector and economy. Despite crises that caused reversal of macroeconomic stabilization in some countries in the region and beyond, Poland continues to evolve toward financial sector modernization, **exceeding planned achievements** in three of four of the S.O. level indicators. [The exception was stock exchange capitalization, which increased from 13.5% of GDP in 1997 to 14.1% in 1998, but did not reach the 16% target.] Several factors helped insulate Poland's economy: an early and deliberate plunge into a market economy without delay or restraints; a shift in export orientation toward the West (two-thirds to the EU) rather than the East (under 10% to Russia); stock exchange capitalization that is majority domestic-sourced (60% compared to just 5% domestic capitalization in Russia); and well-entrenched long-term foreign investment (an estimated \$30 billion through calendar year-end 1998). However, if Western Europe experiences economic crises, then Poland will not be immune.

A major focus of USAID attention in the financial sector in 1998 was support for implementation of the new pension system, which will markedly expand Polish capital markets. USAID is the lead donor, directing attention to public education and promotion of the reform's benefits and obligations and helping to establish the new pension fund supervisory authority. Pricewaterhouse Coopers is the prime contractor. Delays in passage of legislation and issues regarding policies, practices and ground rules in setting up the new pension fund regulator were difficult and sensitive, but all legislation was passed and 13 private pension companies were licensed in late 1998—providing a major new avenue for the public's long-term savings and a fiscally sound pension system. Mass education on pension reform was held up by GOP budget shortfalls, but a USAID subcontractor prepared broadcast and print media materials that are providing an objective basis for citizen decision making on their pension options.

A formal, independent assessment of the financial sector conducted under the auspices of ENI/PER in 1998 rated Poland 3 to 3+ (*Fair to Good*) out of 5 (*World Class*) using

USAID's new uniform methodology. Positive trends were reported. Increased liberalization and investment have occurred in the banking sector. Supervisory structures for banking, insurance and capital markets are based on global standards of transparency. Accounting standards are moving increasingly toward international norms. Rating agencies, professional associations, media, academic and training institutions are evolving toward professional standards and will help sustain market development. Privatization in the banking sector is increasing, with the majority of assets now in private hands. Foreign investment from prime-rated institutions continued to rise. Capital markets show promising growth with increased listings, products and turnover on both the Warsaw Stock Exchange and the OTC market, despite market downturns and a 12% loss on the WIG index for the year. And there is growing recognition of the need for strengthened risk management systems as the market opens to intensified competition. Specific results to which USAID assistance directly contributed include:

- Polish bank and securities supervisory authorities continue to be recognized as leaders in Central and Eastern Europe by the World Bank, EBRD and others.
- More than a third of business-to-business payments are settled within 24 hours.
- Warsaw Institute of Banking (WIB) is a sustainable training institute with a full array of products and services, and has trained some 7,500 bankers.
- Cooperative banks continue to show operating improvements, although consolidation will continue as banks move toward minimum regulatory capital requirements.
- More than 225,000 Poles have convenient access to a broader range of financial services through credit unions at lower cost than traditional sources, and nearly \$160 million in savings have been mobilized through some 300 credit union outlets.
- An estimated 100,000+ market-based residential mortgages were made in 1998--a four-fold increase over 1997 estimates. Some 28 banks offer long-term mortgage and construction loans; the Polish Bank Association has an active housing finance committee; and three bank training institutes offer housing finance courses.
- The Central European Rating Agency signed a strategic alliance with and received significant capital from internationally renown Thompson Bank Watch.
- The municipal bond market kept pace with 1997 growth, with 14 bond issues closed and 17 pending compared to 17 closed in 1997. The GOP recognizes that legislative changes are needed to increase growth of this and the corporate bond market.
- Independent of USAID, financial sector counterparts (e.g., banking and securities supervision authorities; bankers' training; cooperative banking, and credit unions) have begun to share their expertise with the Baltics and Ukraine.

Possible Adjustments to Plans: None, unless Western Europe experiences a crisis.

Other Donor Programs: Most donors have completed or significantly reduced their assistance to Poland's financial sector. However, EBRD continues its assistance to and investment in Polish banks queued up for privatization. The World Bank also is supporting the implementation of Poland's new pension system. EU PHARE provides limited assistance to pension reform, as well.

PERFORMANCE INDICATOR TABLE SO 1.4

OBJECTIVE: 1.4			
APPROVED: 5/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: SO 1.4, A competitive, market-oriented private financial sector is developed			
INDICATOR: 1. Real growth in bank lending to the private sector.			
<p>UNIT OF MEASURE: % change in zlotys (PLN), deflated by change in consumer price index.</p> <p>SOURCE: National Bank of Poland</p> <p>INDICATOR DESCRIPTION: Size of claims on private sector by deposit money banks.</p> <hr/> <p>COMMENTS: Real growth in lending to the private sector indicates that banks are increasingly fulfilling their financial intermediation role, and also may be accompanied by increased availability and accessibility of financial services and products. Although total volume will continue to increase, lower rates of growth are expected over time. Note that the data include interbank lending. Excluding lending to financial institutions would lower the 1998 figure to 22.9%, still above the target.</p>	YEAR	Planned	Actual
	1995		5.8%
	1996		27.5%
	1997	20%	29.4%
	1998	20%	25.5%
	1999	15%	
	2000	15%	

PERFORMANCE INDICATOR TABLE SO 1.4

OBJECTIVE: 1.4			
APPROVED: 5/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: SO 1.4, A competitive, market-oriented private financial sector is developed.			
INDICATOR: 2. Stock Exchange's Market Capitalization as % of GDP.			
<p>UNIT OF MEASURE: % of GDP</p> <p>SOURCE: Warsaw Stock Exchange (WSE) Centralna Tabela Ofert (CeTO)</p> <p>INDICATOR DESCRIPTION: Market value of securities listed on stock exchange (including OTC market) divided by nominal GDP.</p> <hr/> <p>COMMENTS: Despite effects of the global financial crisis on the world's stock markets, including a 13% drop in the WIG index, overall, the WSE kept pace with last year's capitalization level and trading volumes stayed relatively level at USD 30-40 million per day. The WSE received a substantial boost from the listings of the largest Polish banking group (PEKAO SA) and the national telecom (TPSA), and the OTC market benefited from listing of Treasury securities. Although rapidly developing and considered the most liquid stock exchange in Central and Eastern Europe and NIS, the position of the WSE and OTC market in the Polish economy is still weak. In most developed capital markets, the average capitalization is about 40% of GDP. In absolute terms, capitalization in 1998 increased by 52% for the WSE (from 43.8 billion PLN, or 13 billion USD, to 66.5 billion PLN, or 19 billion USD) and from 148.6 million PLN (\$45 million) to 3.5 billion (\$1 billion) for the OTC. USAID/Poland's activities supported the development and strengthening of the OTC and Polish Securities and Exchange Commission.</p>	YEAR	Planned	Actual
	1994(B)		4%
	1996	7.9%	8%
	1997	12%	13.5%
	1998	16%	14.1%
	1999	18%	
	2000	20%	

PERFORMANCE INDICATOR TABLE SO 1.4

OBJECTIVE: 1.4			
APPROVED: 5/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: SO 1.4, A competitive, market-oriented private financial sector is developed.			
INDICATOR: 3. Private banks' assets as a % of total banks' assets.			
<p>UNIT OF MEASURE: % of bank assets.</p> <p>SOURCE: National Bank of Poland</p> <p>INDICATOR DESCRIPTION: Privately owned banks' assets divided by total bank assets, in zlotys.</p> <hr/> <p>COMENTS: Banking sector assets in predominantly private hands continue to increase as the Government carries out its privatization plans, although the percentage increase does not reflect this due to increases in banking sector assets overall. BPH, previously minority private ownership, and First Commercial, the last bank wholly owned by NBP, were converted to majority and wholly private ownership, respectively, in 1998. Privatization of PEKAO SA, following the listing of 15% of its shares in 1998, was delayed until 1999 due to the global financial crisis. Bank Zachodni is expected to be privatized in 1999, as well. This will bring the number of non-private banks to less than 10. Near-term prospects remain dim for the two largest of the remaining state-owned banks (the agricultural bank and the housing/savings bank), although the agricultural bank (BGZ) did sign an agreement with EBRD for pre-privatization assistance with an eye to privatization in 1999-2000. These two banks and PEKAO SA enjoy competitive advantage over other banks with full state guarantee of their deposits through 1999.</p>	YEAR	Planned	Actual
	1993 (B)		19%
	1995		31.7%
	1996	20%	33.5%
	1997	25%	50%
	1998	40%	50%
	1999	45%	
	2000	50%	

PERFORMANCE INDICATOR TABLE SO 1.4

OBJECTIVE: 1.4			
APPROVED: 5/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: SO 1.4, A competitive, market-oriented private financial sector is developed.			
INDICATOR: 4. Value of household deposits as % of GDP.			
UNIT OF MEASURE: Annual %. SOURCE: National Bank of Poland INDICATOR DESCRIPTION: Value of household zloty deposits divided by GDP. <hr/> COMMENTS: Although only an estimated 50% of households have bank accounts, indications are that public confidence in the banking sector is growing. Zloty deposits from households reached 135.8 billion PLN in 1998, compared to 105.3 billion PLN in 1997. The three large state-owned banks (PKO BP, PEKAO SA, and BGZ) account for nearly 60% of total deposits (including corporate deposits), and PKO BP (the household/savings bank) alone holds about one-fifth of all deposits, primarily from households. These banks enjoy full Government guarantee of their deposits through 1999. Other banks must participate in the Bank Guarantee Fund (BFG) for limited deposit guarantees (soon to be increased to 20,000 ECU). Although the mere existence of a deposit insurer adds to public confidence, Poland's BFG today is used primarily as "lender-of-last resort" providing open-bank assistance for the restructuring of weak rural cooperative banks and, to a much lesser extent, to facilitate mergers or to pay out depositors of insolvent banks. This is expected to change following further consolidation of the coop sector this year.	YEAR	Planned	Actual
	1994(B)		9.8%
	1995		21.5%
	1996		26.1%
	1997		25.0%
	1998		27.6%
	1999		
	2000	30%	

Strategic Objective 2.3:

Local government is more effective, responsible, and accountable

SO Summary: Local governments in Poland have major – and increasing -- responsibilities for service delivery and management of resources. The purpose of this SO is to enhance local governments' capacity to manage more effectively and responsibly their resources and to build the capacity of local government support organizations (LGSOs) to assist local governments in improving management practices, such as strategic planning and task based budgeting. On the legislative and policy side, USAID advisors work closely with the GOP and the national municipal associations providing advice and policy studies on how to support greater fiscal decentralization and increased local government access to capital for investment. The direct beneficiaries of the achievement of this objective will be local governments (especially the 2,400 *gminas*) and LGSOs in Poland. The indirect beneficiaries will be citizens of Polish local governments, who will benefit from improved municipal services.

Key Results: Four key intermediate results are necessary to achieve the strategic objective: 1) improved policy and legal framework supports local government functions (local government finance law and policy support for increased fiscal decentralization); 2) public participation in local government decision-making increased; 3) increased capacity to deliver services and manage local resources efficiently; and 4) Polish institutions supporting local government functions are sustainable and more effective.

Performance and Prospects: Performance across the SO over the past year has been as expected, though slower than hoped in building increased capacity to deliver services and manage local resources efficiently. USAID advisors contributed significantly to the formulation of new laws and policies on local government finance. A number of best practice models and approaches for local government were developed and disseminated, yet such development under the flagship Local Government Partnership Program (LGPP) (a Chemonics-led contract) did not proceed as quickly as planned, extending the time it took to develop models and approaches and reach agreement with partner cities on activities to be carried out over the next two years. Several Polish institutions supporting local government functions have become more sustainable and effective; these numbers will be increased through the LGPP.

Development Alternatives, Inc., working with Polish consultants, provided key assistance to the Ministry of Finance in defining the financing for all levels of local government. This effort directly supported the GOP's successful efforts to create and empower new levels of representative local government, in particular the new *powiats* ("counties") and enlarged *voivods* (regions). Efforts to increase the technical capacity of the MOF's local government division were hampered by the increased workload due to implementation of the local government reform. The local government division still needs to increase its technical capacity if it is to manage or conduct policy analysis.

In previous R4s, USAID used national surveys of citizens, local government officials, and NGOs to determine progress toward achieving goals. Following USAID/Washington guidance, the Mission re-examined its results framework for SO 2.3 and decided to use fewer, more-easily-collected indicators to measure performance. To measure performance in the local government sector and USAID's contributions to achieving results, the Mission will use Freedom House's evaluation of Polish governance and public administration, frequently conducted national opinion polls, implementer performance reports, discussions with Polish leaders in local government, and in-house reviews of program performance. The new measures are described in more detail in the performance data tables.

The Freedom House's *Nations in Transit* rating for Public Administration for 1996-7 and 1997-8 gave Poland the highest marks of any country in Central Europe (1.75 on a scale of 1 to 7 with 1 being the highest score), affirming that Poland is succeeding at putting effective local government in place. National opinion surveys confirm that the majority of Polish citizens have trust in their local government officials. USAID's assistance activities help the GOP and Polish local governments advance further in their reforms and institutional strengthening.

The new law on local government finance will be reviewed after two years, which will present the possibility for further devolution. Working through its policy advisors and Polish consultants during 1999, USAID will provide advice on property tax and education finance reform, though given time and resource constraints, USAID's ability to further influence fiscal decentralization will be limited.

Public participation in local government decision making was increased through USAID support efforts in NGO development. In six cities, transparent grant programs for funding NGOs were established, with budget allocations totaling \$288,000. Such programs were instituted in an additional 11 cities. As a successor to the USAID-supported AED program, the Academy for the Development of Philanthropy in Poland was established. It has raised funds for a three-year program to promote the development of local sources of funding for NGOs and to support the development of community foundations that will help address local problems.

As a result of USAID assistance, a number of local governments increased their capacity to deliver services and manage resources effectively. Under the Local Environmental Management (LEM) project, 50 gminas improved the efficiency of solid waste and wastewater service delivery. Through the Environmental Action Program Support (EAPS) program, 25 municipal heating projects were designed and financed. At this point, LGPP technical assistance agreements have been signed with 40 partner cities, providing the framework for the best practice models and approaches to be developed. Implementation of activities has begun in several cities. As a result of these efforts, at least 33 partner gminas and 140 non-partner *gminas* should have demonstrated the capacity to improve service delivery and/or increase the level of resources available for services by December 31, 2000. In the coming year, it will be crucial for the LGPP

implementer to undertake successfully the planned activities and to begin activities to disseminate their use to cities across Poland.

Nationwide impact will be achieved through dissemination of the best practices developed in the partner local governments. LGSOs will be taught how to market their services to *gminas* across Poland, first to develop non LGPP *gmina* awareness of program activities and then to impact local government practices nationwide. USAID will develop a survey tool or focus group to measure the national awareness and acceptance of LGPP efforts – the ultimate objective by 2001. This survey would track the number of *gminas* making requests for information or use of consultants either at their own initiative or in response to information distributed by LGPP. The number of LGSOs reaching self-sustainability will also be tracked.

The consulting firm supported by USAID under LEM provides an example of the results to be achieved. This firm is now providing technical assistance and training services on local environmental management issues to local governments on a self-sustaining basis. The growth in strength of the national municipal associations also suggests that increased sustainability is possible. USAID-supported national municipal associations have grown considerably and significantly increased the amount of their revenues derived from membership dues. For example, from 1994 to 1998, the Association of Rural Gminas increased both its membership numbers and member revenue by 300%. The increased lobbying capacity of these associations allowed them to play a vital role in the debate over and development of the GOP's new local government reform.

Possible Adjustment to Plans: None.

Other Donor Programs: EBRD will offer training to support USAID's work on utility pricing and investment. USAID has discussed cooperation with the World Bank on their regional and rural *gmina* development program. The World Bank hopes to make use of the training materials developed under LGPP to build the technical capacity of rural *gmina* officials and staff.

OBJECTIVE: SO 2.3 Local government is more effective, responsive, and accountable.			
APPROVED: 05/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: Local government is more effective, responsive, and accountable.			
INDICATOR: Nations in Transition Rating			
<p>UNIT OF MEASURE: Governance and Public Administration Rating. Based on a scale from 1 to 7. 1 is highest; 7 is lowest.</p> <p>SOURCE: Freedom House's Nations in Transit rating for Public Administration. All countries in Central and Eastern Europe are rated.</p> <p>INDICATOR DESCRIPTION: The Governance and Public Administration Rating measures the following:</p> <ul style="list-style-type: none"> - Is the legislature the effective rule making institution? - Is substantial power decentralized to subnational levels of government? What specific authority do subnational levels have? - Are subnational officials chosen in free and fair elections? - Do the executive and legislative bodies operate openly and with transparency? Is draft legislation easily accessible to the media and the public? - Do municipal governments have sufficient revenues to carry out their duties? Do municipal governments have control over their local budgets. Do they raise revenues autonomously or from the central state budget? - Do elected local leaders and civil servants know how to manage municipal government effectively? - Has there been constitutional/legislative reform regarding local power? Has there been a reform of the civil service code/system? Are local civil servants employees of the local or central government? <hr/> <p>COMMENTS: Data presented from 1997 and 1998 Freedom House ratings. These ratings serve as a barometer to measure major changes in governance in Poland. USAID activities will indirectly influence five of the seven rating measures.</p>	YEAR	Planned	Actual
	1995		
	1996		
	1997		1.75
	1998		1.75
	1999	1.75 or lower	
	2000	1.75 or lower	

OBJECTIVE: SO 2.3 Local government is more effective, responsive, and accountable.			
APPROVED: 05/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: IR 1 - Improved policy and legal framework supports local government functions.			
INDICATOR: Legislative actions that lead to greater decentralization in public administration and finance.			
<p>UNIT OF MEASURE: Legislation passed and implemented on (a) the establishment of new levels of local government Powiats/Voivodships, and (b) a new system of financing them that effectively decentralizes the public finance structure (Law on Public Finance).</p> <p>SOURCE: USAID and Democratic Governance and Public Administration Program implemented by Development Alternatives, Inc</p> <p>INDICATOR DESCRIPTION: Legislation that establishes Powiats and/or other types of decentralized governmental structures and effectively decentralizes the authority for these defined functions and resources to support them to a lower level than the central government.</p> <hr/> <p>COMMENTS: Data for this indicator is based upon answers to the following question: "Has legislation been passed to (a) establish Powiat/Voivodships in Poland and (b) decentralize the public finance system?</p> <ol style="list-style-type: none"> 1. Yes, it was passed, monitored, and reviewed after 6 months of implementation. 2. Yes, it was passed. 3. No, but it is under debate in Parliament. 4. No, it was not passed. 	YEAR	Planned	Actual
	1995		
	1996		
	1997	a-N3 b-N3	a-N3 a-N3
	1998	a-Y2 b-Y2	a--Y2 b--Y2
	1999	a-Y1 b-Y1	
	2000		

OBJECTIVE: SO 2.3 Local government is more effective, responsive, and accountable.			
APPROVED: 5/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: IR 3 - Increased capacity to deliver services and manage local resources efficiently.			
INDICATOR: Gminas have the capacity to improve service delivery and/or to increase the level of resources available for infrastructure through allocation of resources based on one or more elements of an approved strategic management process			
<p>UNIT OF MEASURE: Gminas improve service delivery capacity as evidenced by the adoption of <u>one or more</u> of the following:</p> <ul style="list-style-type: none"> - A strategic management planning process which has prioritized projects, activities, and expenditures and allocates resources on an approved multi-year funding plan and/or an approved capital investment plan. - A strategic housing planning process that has prioritized expenditures and allocated resources based on an approved multi-year funding plan. - A capital investment planning process that prioritizes projects and expenditures and allocates resources based on an approved multi-year funding plan. - A task based budgeting system which organizes the gmina by task and which guides the budgeting preparation and management of task-oriented units or enterprises. - Enterprise or fund accounting by one or more budgetary units, enterprises, or limited liability service companies. - An infrastructure planning process which prioritizes projects based on a comprehensive financial, social, and environmental analysis and which allocates resources based on an approved multi-year plan. - An economic development planning process which prioritizes activities and expenditures and allocates resources based on an approved multi-year funding plan <p>SOURCE: USAID and Local Government Partnership Program implemented by Chemonics, Inc.</p> <p>INDICATOR DESCRIPTION:</p> <hr/> <p>COMMENTS: This indicator is to measure the contribution of the LGPP program to IR 3. Data for this indicator will be assembled and reported by Chemonics and verified by USAID. First data will be reported for 1999.</p>	YEAR	Planned	Actual
	1995		
	1996		
	1997	8 pilot gminas	8
	1998	-	-
	1999	16 partner gminas 35 non-partner gminas	
	2000	17 partner gminas 105 non-partner gminas	

OBJECTIVE: SO 2.3 Local government is more effective, responsive, and accountable.			
APPROVED: 05/96 COUNTRY/ORGANIZATION: Poland/USAID			
RESULT NAME: IR 4 - Polish institutions supporting local government functions are sustainable and more effective.			
INDICATOR: Non partner gminas which have implemented management improvements as a result of having exposure to the tools or approaches promoted by the Local Government Partnership Program or other USAID-supported programs.			
<p>UNIT OF MEASURE: Random sample of non-partner gminas responding to questions like the following:</p> <ul style="list-style-type: none"> • Have you heard of programs to provide training or assistance to gminas? • Who provides this assistance? • Do you know in which areas they provide assistance? • Can you cite any gminas involved in the program? • Have you received information on these programs? • If yes, where did you get that information? • Was the information useful? • Did you don anything as result of receiving the information? • Have you attended any workshops or other events organized by these programs? • Have you hired a consultant or undergone training as a result of the information? If yes, which consultants or training institutes? • Have you introduced any changes into gmina management? • If so, what have you done? <p>SOURCE: USAID supported survey of local governments conducted by MDA, opinion research firm, public policy/public administration institute, or university.</p> <p>INDICATOR DESCRIPTION:</p> <hr/> <p>COMMENTS: Use of this indicator will depend on the ability of USAID and ISTI to develop a methodologically sound, inexpensive, and efficient means of conducting the survey. Premise of this indicator is that both awareness of LGPP and some use of LGPP best practices in non partner gminas is a surrogate for LGSO effectiveness in outreach and institutional capability.</p>	YEAR	Planned	Actual
	1995		
	1996		
	1997		
	1998		
	1999	TBD	
	2000	TBD	

Strategic Objectives 4.1 (Special Initiatives) and 4.2 (Cross Cutting)

SO Summary: By definition, no Strategic Objectives *per se* are incorporated in special initiatives and cross cutting programs.

Key Results: At present, there are no intermediate results in the conventional sense in either SO 4.1 or 4.2. However, as noted below, a new conceptual framework for “effective implementation of social sector reforms”—roughly analogous to SO 3.2 in the ENI Strategic Framework—has been prepared by the Mission to informally represent emerging new emphasis in this sector.

As noted in the Overview, the GOP has undertaken an ambitious social sector reform program—in essence, a second wave after the fundamental political and economic reforms of the early nineties. Cutting across several Strategic Objectives, a number of USAID’s ongoing programs, such as assisting in the passage and promotion of pension reform legislation (SO 1.4) and joint Harvard/Jagellonian University development of health management systems for Krakow that are now scaling-up nationally (SO 2.3), have been contributing directly to reformed social sector programs and policies over the past several years. The SEED-funded Department of Labor worker adjustment project supporting coal sector restructuring in Upper Silesia (SO 4.1) is helping the GOP coordinate the social and economic dimensions of mass layoffs. Administrative reform (decentralization and devolution) assistance (SO 2.3) is helping *powiats* and enlarged *voivods* to deal with new social sector implementation responsibilities. And finally, USAID/Warsaw is undertaking a new strategic communications activity under SO 4.1 to enhance the GOP’s outreach to the Polish public, affected interest groups, and other “stakeholders” in the individual social sector reforms (in pensions, health, education and administrative reform). This is being augmented by a smaller, SO 4.1 grant to ACILS/Solidarity Center to educate workers and enterprise managers in pension program options; this is targeted outreach to these politically important groups complements the larger scale work the Mission is doing with PriceWaterhouse Coopers under contract.

An informal results framework schematic is attached which blocks out the basic conceptual relationships. The Mission hopes that this depiction of our set of activities related to social sector reform is useful to ENI Bureau as it considers similar initiatives elsewhere in the region.

Other developments under SOs 4.1/4.2 included:

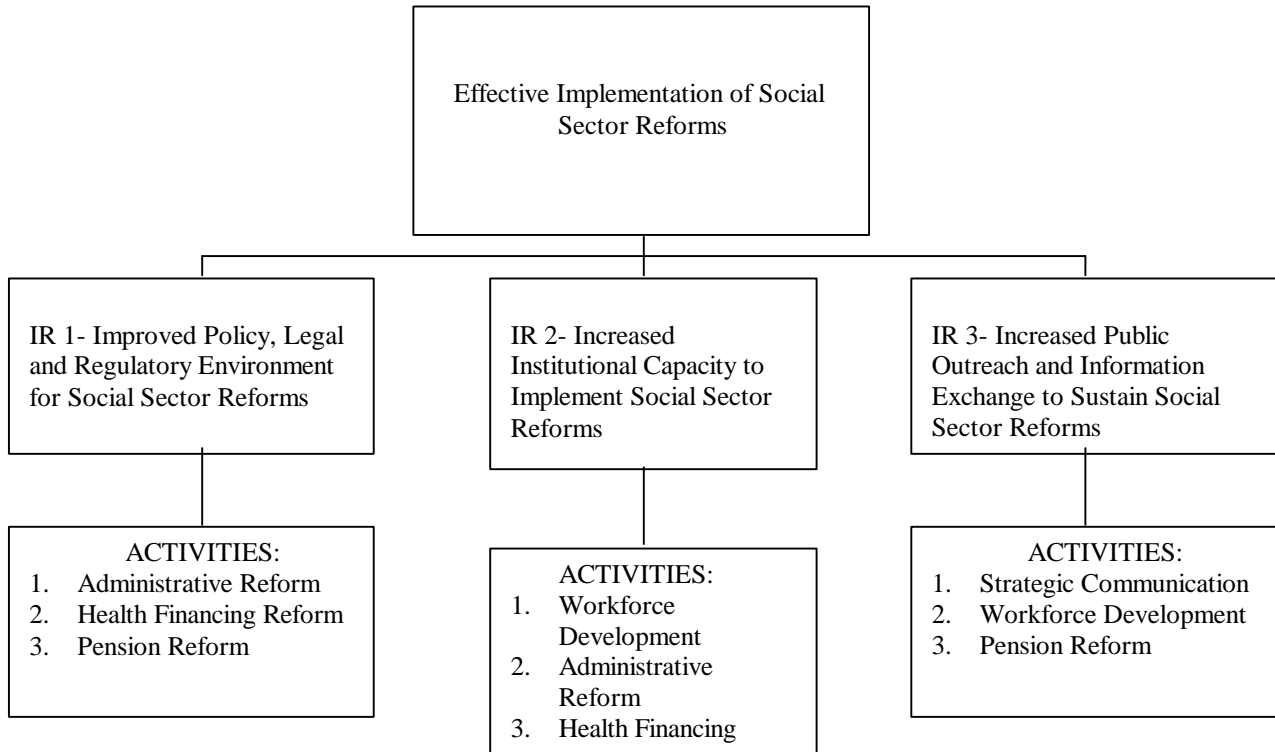
- Successful conclusion of PIER’s mineworkers’ safety program. Unions, government, and academia subsequently joined forces to create a Silesia safety institute to carry on and extend PIER’s work.
- Graduation of the National Democratic Institute’s very well regarded nonpartisan program in party cadre training, with special emphasis on women and youth participation. NDI assistance in democratization and political devolution extended through the successful *powiat* elections in the fall of 1998.
- The DOL-supported White Collar Training Institute at Lodz and the Construction Trades Center at Praga made substantial gains in financial and managerial self-

sufficiency as SEED assistance wound down. However, the CTC at Gdynia has had serious management problems and its activities are likely to be terminated.

- The Warsaw Journalism Center—highly effective in bringing a free press to Poland—has serious financial viability problems. USAID/Warsaw, in conjunction with other potential donors and the WJC Board—is weighing whether major restructuring or simply a program wind-up is most sensible. A decision is expected by mid 1999.
- The Skawina flue gas desulfurization (FGD) renovation and repair project was terminated due to rapidly escalating costs and the likelihood that the construction period would extend well beyond Mission close out in 2000.

In the area of **environment and global climate change**, USAID is negotiating with the GOP to establish a GCC policy-based program. As appropriate, we will complement and coordinate this assistance with the new ENI-regional Ecolinks (formerly Environmental Partnership Program) and the proposed GGERI project, which helps set up national emissions registries central to implementation of Joint Implementation and related initiatives. The Poland GCC program will use cash transfers to reward the GOP for late 1998 and 1999 GCC related reforms. The dollar proceeds are to be used for U.S. environment and energy technology imports. The Mission is also concluding negotiations of a guarantee under the Development Credit Authority (DCA) which will support investments reducing greenhouse gases (see SO 1.3 narrative for additional detail).

SO 4.2 CROSS-CUTTING INITIATIVE (Social Sector Reform)



Part III: Resource Request

Program Budget: No new program funds are being requested for USAID/Poland in FY 2001. Program closeout, excepting the LGPP and the Loan Guarantee Program, is scheduled for September 30, 1999.

Analysis of activity “burn rates” and projection of future financial requirements indicates that between \$4 and 5 million FY 99 carryover will be necessary or appropriate. The largest carryover requirement by far is \$4 million for the Local Government Partnership Program. This is due to the fact that LGPP will extend its programmatic activities into the first half of FY 2001, as originally planned and approved by ENI/Washington. In order not to violate Agency forward-funding guidelines, which prohibit obligations for requirements exceeding 12 months from the year of obligation, forward-funding of LGPP requirements is needed. A small sum will also be carried over into FY 2000 under Project 0249 (AEPS) for last-minute, closeout-related program expenses that cannot be anticipated.

Through the Activity Monitoring Report (AMR) process and preparation of the annual OYB and Procurement Plan, USAID/Warsaw has conducted a rigorous pipeline analysis, reallocating budget to successful projects with additional requirements, or new activities emerging which are required to bring each SO to graduation status. Our analysis indicates that the FY 99 OYB request of \$20 million, excluding FY 98 carryover, is valid and still required. Activities that have not met expectations, such as the Skawina FGD project, have been curtailed or eliminated. Conversely, the ACDI/VOCA implemented Firma 2000 activity supporting SME BSO development, has met or will meet its initial targets but, analysis shows, selected SME infrastructure needs remain to be addressed in the run-up to graduation; accordingly, the Mission proposes an additional FY 99 increment in support of this program.

Pursuant to ENI Bureau requirements, certain levels of budgetary shifts among strategic objectives (>20%+/-) and strategic assistance areas (>5%+/-) must be approved by the Assistant Administrator. The attached table depicts the requested adjustments for FY 99 budget:

- The SO 1.3 budget is reduced by – 18.37%, due to successful contract negotiations for the new FABRYKAT 2000 contract, which reduced the budget set aside in the MAARD and original FY 99
- The SO 1.4 budget is reduced by 40%, by decreasing the Scope of Work for a new National Bank of Poland/Bank Supervision activity. The SO Team concluded that it was more effective and useful for some tasks under that activity be added to the current National Bank of Poland activity implemented by Barents.
- The SO 2.3 budget stays virtually at the same level (+4.84%)
- The SO 4.1 budget is reduced by 18.97%, caused mainly by a simple move of 180-0249 (AEPS) funds to SO 4.2. This shift was requested by ENI/PCS at the end of 1998 Fiscal Year for reasons of consistent accounting regionwide.

- The SO 4.2 budget has an extraordinary increase of 1,179 % resulting from shifting savings in SO 1.3 and SO 1.4 and budgeting for a newly planned Social Sector Reform Strategic Communications activity (\$1.5 million estimate). For the time being, the Social Sector Strategic Communications activity is budgeted under 180-0249 but the Mission plans to fund it under a POT 3.2 project and switch it to the Mission's SO 4.1.

All changes in Strategic Assistance Area budgets are caused by the above mentioned actions. To recap the SAA budget changes:

- SAA I (SO 1.3 + SO 1.4) by – 30.02,
- SAA II (SO 2.3) by + 4.84, and
- SAA III (SO 4.1 + SO 4.2) by + 39.97.

Planned Changes in FY99 Budget [\$'000]

SO	FY 99		
	Total Budget Approved in FY2000 R4	Budget with Planned Changes	% change
SO 1.3	2,700	2,204	-18.37%
SO 1.4	3,150	1,890	-40.00%
SO 2.3	11,100	11,637	4.84%
SO 4.1	2,900	2,350	-18.97%
SO 4.2	150	1,919	1179.33%
TOTAL	20,000	20,000	
SAA			
SO 1.3 + SO 1.4	5,850	4,094	-30.02%
SO 2.3	11,100	11,637	4.84%
SO 4.1 + SO 4.2	3,050	4,269	39.97%

The USAID/Poland Budget Activities Database covering FY 98 carryover and FY 99 activity details is attached.

OE Budget: The FY 2000 OE budget is \$123,000 higher than the Mission's OYB request for FY 1999 OE³. This increase is due to the one-time expenses associated with

³ Information just received (3/15/99) indicates an ENI- approved FY 99 OE level of \$1,850,000, which would raise the FY 99>FY 2000 increase to \$208,000.

the planned closeout of USAID/Warsaw on September 30, 2000. To ensure a smooth closeout by the target closeout date, additional operating expense funds is required, based on USAID/Warsaw's detailed Operational Closeout Plan covering all possible closeout exigencies. USAID/Warsaw is requesting no OE funds for FY 2001.

The Fiscal Year 1999 budget is \$85,000 less than our previous request. This is to assist with Washington FY99 shortfalls in other posts/programs, although the Mission has already made a request to Washington to reinstate these funds when available. In order to accommodate the shortfall for FY 1999, USPSC salaries were reduced by \$52,500. This was accomplished by funding minimally the USPSC Graduation and Evaluation (Program) Officer position. Additional OE funds will be needed in FY 2000 to fully fund this position. In addition, \$32,500 for a closeout conference will be defrayed until FY 2000. These two cost centers are critical as USAID/Warsaw moves close to closeout.

FSNPSC salaries are reduced approximately \$80,000 from FY 99 to FY 2000 even after budgeting for biannual FSN salary increases. This reduction is the result of the decrease in OE-funded FSN staff from 19 to 16. The FY 2000 budget includes \$91,000 for FSN Severance Benefits based on the Local Compensation Plan and \$72,000 for Performance Based Incentive Pay that has been approved by Washington. The Performance Based Incentive Pay Plan is being implemented to ensure that USAID/Warsaw's highly qualified FSN employees remain with the mission until the deletion of their positions.

Additional OE costs are being incurred during FY 2000 for transferring of USDH personnel at the time of the closeout of the Mission. The budget reflects \$9,000 incurred for the transfer travel of the four remaining USDH staff to Washington. Even though USDH staff is not planning to return to Washington, the budgeting of the travel for these transfers is in accordance with USAID custom. Seven thousand dollars has been budgeted for Temporary Quarters Allowances to reflect the expenses incurred when USDH will be living in hotels after the pack-out of HHE from their residences. In addition, Post Assignment Travel is increased by \$70,000 to reflect the pack-out and transfer of HHE of USDH to USAID/W.

Thirty-five thousand dollars is being budgeted for a TDY PSC USDH Controller when the Controller leaves for HL/RTP for six weeks. The remainder of this cost center, \$10,000, is to contract with a local placement firm to assist FSNs in the preparation of resumes and job searches.

Operational Travel increases \$20,000 from FY 99 to FY 2000 due to the added expenses incurred by the closeout. The added travel is for Controllers Office staff to travel to Budapest for the transfer of the accounting station in mid 2000; TDYs from Washington and Budapest to assist in the closeout; travel by the Executive Officer who will be assuming regional EXO responsibilities; and for closeout conferences.

The Representation Allowance request is being increased to reflect closeout ceremonies that the mission will be sponsoring throughout the year. Records Declassification and

Other Records Services is being increased by \$10,000 to reflect the disposition or transfer of records in accordance with USAID procedures and directives.

ICASS expenses are budgeted to increase by 10%. USAID/Warsaw is closely involved in the ICASS process and is trying to identify cost centers from which to withdraw. However, as the Mission moves closer to closeout, the ICASS service providers will be asked to provide more of the remaining administrative services.

Rental payments for residences are reduced by \$50,000 to reflect the reduction of staff. Expenditures for equipment and supplies are minimal to cover any unexpected property exigencies. USAID/Warsaw is fully Y2K compliant and this OE budget does not contain any request for additional Y2K expenditures.

The FY 2000 R4 indicates that the Mission will have 26 total staff positions in all categories, including 4 USDH, at the beginning of FY 2000. A reevaluation of program workloads resulted in adjustments to the FY 2000 Work Force allocations among OE-funded support services and program/project activity management. Remaining OE position deletions will begin on July 30, 2000. Four FSNs from the Executive Office will remain on board until December 31, 2000 to complete the closeout of the Mission.

The Regional Controllers Office will begin on July 1, 2000 to transfer accounting responsibilities to the Regional Support Center in Budapest. The USDH Controller position will continue through the end of FY 2000, splitting time between Warsaw and Budapest. FSN staff reductions in the Controllers Office will begin in the fourth quarter of 2000.

At the beginning of FY 2001 four program-funded staff positions remain, as approved by AID/W in last year's FY 2000 R4. (These will be in addition to the Executive Office FSNs finalizing the Mission closeout.) This program-funded staff, made up of one USPSC and 3 FSNPSCS, will be engaged in the management of the Local Government Partnership Program until its completion in March, 2001.

FY 1999 Budget Request by Program/Country

05-Apr-99

11:16 AM

Program/Country: POLAND

Approp Acct: SEED

Scenario

S.O. # , Title		FY 1999 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1.3 Private Sector Development stimulated at the firm level																
	Bilateral	2,204			2,204										2,204	
	Field Spt	0														
		2,204	0	0	2,204	0	0	0	0	0	0	0	0	0	2,204	0
SO 1.4 Financial Sector development																
	Bilateral	1,890			1,890										1,890	
	Field Spt	0														
		1,890	0	0	1,890	0	0	0	0	0	0	0	0	0	1,890	0
SO 2.3 Local Government is effective, responsive and accountable																
	Bilateral	11,637												11,637	7,337	4,300
	Field Spt	0														
		11,637	0	0	0	0	0	0	0	0	0	0	0	11,637	7,337	4,300
SO 4.1 Special Initiatives																
	Bilateral	2,350											1,850	500	2,350	
	Field Spt	0														
		2,350	0	0	0	0	0	0	0	0	0	0	1,850	500	2,350	0
SO 4.2 Cross-cutting																
	Bilateral	1,919			1,919										1,819	100
	Field Spt	0														
		1,919	0	0	1,919	0	0	0	0	0	0	0	0	0	1,819	100
SO 6:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		20,000	0	0	6,013	0	0	0	0	0	0	0	1,850	12,137	15,600	4,400
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		20,000	0	0	6,013	0	0	0	0	0	0	0	1,850	12,137	15,600	4,400

FY 99 Request Agency Goal Totals	
Econ Growth	6,013
Democracy	12,137
HCD	0
PHN	0
Environment	1,850
Program ICASS	66
GCC (from all Goals)	7,556

FY 99 Account Distribution (DA only)	
Dev. Assist Program	20,000
Dev. Assist ICASS	
Dev. Assist Total:	20,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

Project number	activity name	provider	planned enddt	COTR location	Obligation location	AID/W proj. officer	Warsaw proj. officer	FY 98 CO	FY 99 Budget (\$20,000)
	SO 1.3 (Private Sector Enterprise Dev.)								
	<u>I.R.1 Policies, laws and regulations</u>								
180-0020.2	ABA/CEELI - Commercial Law;	AMERICAN BAR ASSOCIATION/ CEELI	7/99	W	W	Keith Crawford	Pawel Krzczunowicz		0
180-0023.16	SME Development / CAER II/GEMINI	HIID/DAI	10/99	P	P	Orest Koropecy (G)	Pawel Krzczunowicz		220
180-0027.1(x)	IAA with Treasury - Tax Administration	U.S. DEPARTMENT OF TREASURY	6/2000	W	W	Tara Simpkins	Pawel Krzczunowicz		0
		IR 1 Sub-Total:							220
	<u>I.R. 2 Improved profitability of SME enterprises</u>								
180-0004.1	World Env. Center	WORLD ENVIRONMENT CENTER INC	3/99	W	W	Angela Crooks	Pawel Krzczunowicz		0
180-0010.1	Polish-American Enterprise Fund	POLISH-AMERICAN ENTERPRISE FUND	9/2000	W	W	Tom Clarkson	William Frej		0
180-0014.3	US PSC (advisor)	Private sector advisor (PK)	9/2000	P	P	N/A	William Frej		108
180-0023.15	FSN PSC	Project specialist (MJ)	9/2000	P	P	N/A	Pawel Krzczunowicz		87
180-0023.18	SME Assistance and Development	ACDI/FIRMA 2000	3/2000	P	P	James May	Pawel Krzczunowicz	136	1539
180-0023.18	SME BSO Tech Transfer/FABRYKAT 2000	MENDEZ ENGLAND & ASSOC.	9/2000	P	P	James May	Pawel Krzczunowicz		0
180-0023.26	WID SME Support II	FDPA/WRED	6/99	P	P	N/A	Mikolaj Lepkowski		0
180-0023.15	Evaluation of SO 1.3	TBD	3/2000	P	P	N/A	Pawel Krzczunowicz		70
180-0023.15	Telecommunications training	U.S. TELECOMMUNICATION TRAINING INSTITUT	5/99	P	P	N/A	Pawel Krzczunowicz		25
180-0029.1	Management Training Large Grants - Univ. of Maryla	UNIV. OF MARYLAND	9/99	W	P	Carolyn Coleman	Asia Kaminska		60
180-0029.1	Management Training Large Grants - Univ. of Minne	UNIV OF MINNESOTA	6/2000	W	P	Patricia Bekele	Asia Kaminska		95
180-0030.1	Industry Contracts - Restructuring/Legal Reform/IPR	BECHTEL CORPORATION	12/98	W	W	Andres Doernberg	Maryla Jakubowicz		0
180-0030.1	Industry Contracts - Energy Efficiency	ELECTROTEK CONCEPTS INC	12/99	W	W	Ira Birnbaum	Maryla Jakubowicz		0
180-0030.1	Energy Regulatory Authority	BECHTEL	9/99	P	P	Andres Doernberg	Maryla Jakubowicz		0
180-0030.4	Monitoring GCC	ENVIRONMENTAL PROTECTION INSTITUTE	6/2000	P	P	Ira Birnbaum	Maryla Jakubowicz	56	0
180-0034.3	Cooperative Housing in a Market Economy	COOPERATIVE HOUSING FOUNDATION INTL	9/99	P	P	Nancy Hooff	Michael Lee		0
TBD	Development Credit Authority	TBD	9/2000	TBD	TBD	TBD	Steve Horn	1000	0
		IR 2 Sub-Total:						1192	1984
		SO 1.3 SUB-TOTAL						1192	2204

Project number	activity name	provider	planned enddt	COTR location	Obligation location	AID/W proj. officer	Warsaw proj. officer	FY 98 CO	FY 99 Budget (\$20,000)
	SO 1.4 (Financial Sector Dev.)								
	I.R. A Increased confidence in the financial sector								
180-0014.4	Poland - National Bank of Poland (Supervision)	KPMG PEAT MARWICK/BARENTS	1/2000	P	P	Jean Lange	Vicki Peterson		209
180-0014.4	NBP/Bank Supervision	TBD (Barents)	6/2000	W	W	Jean Lange	Mikolaj Lepkowski		300
180-0014.4	Bank System Development (Credit Rating)	FIRST WASHINGTON ASSOCIATES LTD	5/99	P	P	Victoria Wohlsen	Mikolaj Lepkowski		0
		IR A Sub-Total:						0	509
	I.R. B Improved efficiency of financial markets								
180-0014.4	US PSC (off shore)	Financial sector development advisor (VP)	5/99	P	P	N/A	William Frej		37
180-0014.4	FSN PSC	Project assistant (MLep)	7/2000	P	P	N/A	William Frej	33	54
180-0023.6	WOCCU - Building the Polish Credit Union System	CREDIT UNION NATIONAL ASSOC.	9/99	W	W	Melissa Brinkerhoff	Mikolaj Lepkowski		0
180-0027.2	FSVC Grant	FINANCIAL SERVICES VOLUNTEER CORPS INC	7/2000	W	W	Victoria Wohlsen	Vicki Peterson	700	300
		IR B Sub-Total:						733	391
	I.R. C Increased availability of standard financial services and products								
180-0014.2	Private Pension Funds II (cont.)	PROFILE	9/99	P	P	Robert Singletary	Vicki Peterson		0
180-0014.2	Private Pension Funds III	PRICE WATERHOUSE/COOPERS	5/2000	P	P	Denise Lamaute	Vicki Peterson		990
180-0034.1	Urban Institute: Housing Finance	URBAN INSTITUTE	10/99	P	W	Nancy Hooff	Michael Lee		0
		IR C Sub-Total:							990
		SO 1.4 SUB-TOTAL						733	1890

Project number	activity name	provider	planned enddt	COTR location	Obligation location	AID/W proj. officer	Warsaw proj. officer	FY 98 CO	FY 99 Budget (\$20,000)
	SO 2.3 (Local Government)								
180-0002.18	Poland - Local Govt.-Health Service Mgt.	HARVARD SCHOOL OF PUBL. HEALTH	12/99	W	W	Katie McDonald (G)	Tomasz Potkanski		0
180-0019.7	Decentralization of Public Finance	DAI (cont.)	9/99	P	P	Illona Countryman	Tomasz Potkanski		0
180-0019.7	FSLD/Local Government / Community Action	FOUNDATION IN SUPPORT OF LOCAL DEMOCRACY	6/2000	P	P	Illona Countryman	Tomasz Potkanski		0
180-0030.13	Energy Cities	FEWE (unsolicited proposal)	9/2000	P	P	N/A	Maryla Jakubowicz		0
180-0034.2	FSN PSC	Local government specialist (NM)	9/2000	P	P	N/A	Rebecca Black	80	66
180-0034.2	FSN PSC	Local government specialist (TP)	9/2000	P	P	N/A	Rebecca Black		52
180-0034.2	FSN PSC	Housing specialist (KJ)	9/2000	P	P	N/A	Rebecca Black	68	69
180-0034.2	Utility Pricing Legislation	RESEARCH TRIANGLE INSTITUTE	6/99	P	P	Sheere McManus	Tomasz Potkanski		0
180-0034.2	Increasing Municipal Access to Capital	IQC TBD	4/2000	P	P	TBD	Steve Horn	450	0
180-0034.2	Urban Institute: Municipal Development / Partner City	URBAN INSTITUTE	12/99	P	W	Nancy Hooff	Rebecca Black		0
180-0034.2	Municipal Development	MDA	6/2000	P	P	Nancy Hooff	Nina Majer		300
180-0034.2	Local Government Partnership Program	CHEMONICS	3/2001	P	P	Nancy Hooff	Scott Dobberstein		10600
180-0034.2	LGPP Evaluation	TBD	6/99	P	P	N/A	Scott Dobberstein	60	0
180-0034.2	TCN PSC	Local Government Finance Specialist (ML)	7/2000	P	P	N/A	Rebecca Black		90
180-0034.2	Klodzko Historic Revitalization (flood)	CHF	1/2000	P	P	N/A	Michael Lee		0
180-0034.2	Housing and Municipal Policy	IQC TBD	3/2000	P	P	TBD	Michael Lee	240	0
180-0034.2	Local Government regional networking	TBD	12/98	W	W	Michael Keshishian	Rebecca Black	23	0
180-0034.2	Regional Development Strategy	GDANSK INSTITUTE FOR MARKET ECONOMICS	6/2000	P	P	N/A	Basia Matusiewicz		0
180-0034.2	Community Development	FISE (uns. proposal)	6/2000	P	P	N/A	Rebecca Black	200	0
180-0034.2	Local Government Close-out	(USPSC, 3 FSNs, FY01 FASS/CASS)	3/2001	P	P	N/A	Rebecca Black		300
180-0034.2	Conference on housing finance	TBD	9/99	P	P	N/A	Michael Lee		160
180-0039	Evaluation of environmental projects	Assesment Team	12/98	W	W	Danielle Arigoni	Rebecca Black	50	0
		SO 2.3 SUB-TOTAL						1171	11637

Project number	activity name	provider	planned enddt	COTR location	Obligation location	AID/W proj. officer	Warsaw proj. officer	FY 98 CO	FY 99 Budget (\$20,000)
	SO 4.1 (Special Initiatives)								
180-0002.7	Georgetown University Scholarship Program	GEORGETOWN UNIVERSITY	9/99	W	W	Stephen Brooks	Katarzyna Wodnicka		0
180-0002.9(x)	USIA - English Language Training Program	UNITED STATES INFORMATION AGENCY	9/99	W	W	Joyce Kaiser	Katarzyna Wodnicka		0
180-0004.4	GCC Program	MINISTRY OF ENVIRONMENT	9/2000	W	W	Loren Schulze	Bruce Odell	3400	1600
180-0004.4	Removal of the Skawina scrubber unit	TBD	9/2000	P	P	Loren Schulze	Bruce Odell		250
180-0014.5	East-East Dissemination	CASE	3/99	P	P	N/A	Pawel Krzeczunowicz		0
180-0019(x)	Democracy Commission Small Grants	UNITED STATES INFORMATION AGENCY	9/2000	W	W	Kathryn Stratos	Bruce Odell		350
180-0021.5	Political Party Building Program	NATIONAL DEMOCRATIC INSTITUTE	1/99	P	P	Deborah Berns	Krzysztof Janiak		0
180-0021.8	FTUI - Support to Solidarity /BKN (follow-up)	FREE TRADE UNION INST	12/98	W	W	Corbin Lyday	Bruce Odell	50	0
180-0021.8	Solidarity BKN pension reform education	FREE TRADE UNION INST	9/99	P	P	Bruce Grogan	Bruce Odell	520	0
180-0022.1	Warsaw Journalism Center	WARSAW JOURNALISM CENTER	6/99	P	P	Peter Graves	Krzysztof Janiak	200	0
180-0023.7	SPA - Small Project Assistance/Env. & English Teach	PEACE CORPS	9/2000	W	W	Arnold Baker (G)	Bruce Odell		0
180-0031	Krakow Low Emissions Project	U.S. DEPARTMENT OF ENERGY	12/99	W	W	Loren Schulze	Maryla Jakubowicz		0
180-0033.1	US DOL - Labor Market Transition	U.S. DEPARTMENT OF LABOR	3/2000	W	W	Bruce Grogan	Bruce Odell		0
180-0039.1	EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agric	U.S. ENVIRONMENTAL PROTECTION AGENCY	6/2000	W	W	Mike Kalinoski	Maryla Jakubowicz		0
180-0045.6(x)	USIA - Ron Brown Fellowship	UNITED STATES INFORMATION AGENCY	9/2000	W	W	Joyce Kaiser	Katarzyna Wodnicka		150
180-0249.2	CASE - Sustaining Growth	CASE FOUNDATION -POLAND	9/99	P	P	N/A	Pawel Krzeczunowicz		0
		SO 4.1 SUB-TOTAL						4170	2350

Project number	activity name	provider	planned enddt	COTR location	Obligation location	AID/W proj. officer	Warsaw proj. officer	FY 98 CO	FY 99 Budget (\$20,000)
	SO 4.2 (Support to all three Strategic Objectives)								
180-0045.1	TRANSIT - Training for Societies in Transition	WORLD LEARNING (G Bureau buy-in)	6/2000	W	W	Joyce Kaiser	Katarzyna Wodnicka		0
180-0045.9	Disaster Preparedness Training	WORLD LEARNING (G Bureau buy-in)	6/99	W	W	Joyce Kaiser	Krzysztof Janiak		0
180-0249.2	Monitoring Support	Short Term Personal Service Contractors	9/99	P	P	N/A	Bruce Odell	66	0
180-0249.2	ICASS costs	N/A	9/99	P	P	N/A	Keith Romwall		116
180-0249.2	Polish Know How Fund	POLISH KNOW HOW FUND	6/2000	P	P	N/A	Pawel Krzeczunowicz	0	600
180-0249.2	Social Sector Reforms	TBD	6/2000	P	P	W. Penoyar	Bruce Odell	745	755
180-0249.2	Customs Training	U.S. CUSTOMS ADVISOR	7/2000	W	W	TBD	Vicki Peterson	0	150
180-0249.2	Social Sector Research	POLISH ACADEMY OF SCIENCE	9/99	P	P	N/A	Pawel Krzeczunowicz	0	15
180-0249.2	Special Initiatives Support	TBD	9/2000	N/A	N/A	N/A	Bill Frej		283
180-0249(x)	Parking Fines Set Aside	N/A	N/A	W	W	Betsy Carter	N/A	1	0
		SO 4.2 SUB-TOTAL						812	1919
		TOTAL						8078	20000

Comments to USAID/Poland Budget Table:

SO 1.3

1. \$1,000,000 is still kept in budget under 180-0249 project. It assumes DCA will be implemented.
2. Need for additional funds currently identified:
- \$ 240,000 short in order to fully fund FIRMA 2000 (ACDI);
- there is a request for another \$350,000 for the U.S. Treasury Poznan Pilot Project, although we are considering shortening the project if necessary. Analysis of activity progress, needs and repercussions on the MoU with the MoF needed. There is no funds in FY99 OYB, so reob funds will need to be used.
3. No FY99 carryover planned.

SO 1.4

1. Assumption: The position of Financial Sector Senior Advisor will end in May and 1 FSN will continue the work of SO Team. \$209,000 is kept in the budget to fully fund the National Bank of Poland (Supervision) activity, which will end in January 2000. Another activity with National Bank of Poland/Bank Supervision is planned to start in January 2000 and \$300,000 is reserved in a budget.
2. \$300,000 under project 180-0014 could be a potential FY99 carryover.

SO 2.3

1. The primary current activity is LGPP. As of January 31, 1999, \$15.6 million had been obligated and \$8 million expended. At the current burn rate, remaining obligated funds will carry the program until December 31, 1999. If the burn rate does not increase we propose to obligate \$6.5 million in July, 1999, which would carry the contract to September 30, 2000. This would leave \$4 million to carry over. Another burn rate analysis in June will be conducted to determine if these numbers still hold true.
2. FY99 carryover planned under project 180-0034:
\$4,000,000 LGPP
\$300,000 Local Government Close Out (see table: Funding level of project funded staff)

SO 4.1

1. \$5,000,000 is budgeted for post-Skawina Global Climate Change cash transfer. Since it includes FY98 carryover money it must be obligated by September 1999. There is additional \$250,000 for a potential removal of Skawina scrubber unit
2. \$200,000 of FY98 carryover is still kept for Warsaw Journalism Center, of which \$25,000 is being used for a planning grant. In June a decision will be made if to obligate remaining funds or to release them for other activities.

SO 4.2

1. There is a potential problem for an S.O. 4.2 activity, the Polish Know-How Fund. We can do the action very quickly but before we do so, the Controller has to be satisfied as to their management and accounting controls - and since they have only just started up, it may take some time before their systems are in place and operational. Nothing to be alarmed about now, but a potential problem, since it is out of our control.
2. \$1,500,000 is budgeted for the Social Sector Reform activity and is waiting to be obligated. It is still 180-0249 and we need to find out which project it should go to. Presumably, it will be 180-0021 "Political and Social Process" and it will be moved to SO 4 Special Initiatives.
3. \$150,000 is budgeted for Customs Training. This hopefully, will be obligated by September 1999.
4. \$333,000 remains under Special Initiatives Support, which is our reserve account, and if needed, for strategically important investments.

Workforce Tables

Org: USAID/Poland End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 1999 Estimate	SO 1.3	SO 1.4	SO 2.3	SO 4	SO 5	SpO1	SpO2									
OE Funded: 1/																
U.S. Direct Hire			2					2	1	1	1				3	5
Other U.S. Citizens								0						1	1	1
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN	1		1					2	1	5	8	1		2	17	19
Subtotal	1	0	3	0	0	0	0	4	2	6	9	1	0	3	21	25
Program Funded 1/																
U.S. Citizens	1	1						2							0	2
FSNs/TCNs	1		2					3							0	3
Subtotal	2	1	2	0	0	0	0	5	0	0	0	0	0	0	0	5
Total Direct Workforce	3	1	5	0	0	0	0	9	2	6	9	1	0	3	21	30
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	3	1	5	0	0	0	0	9	2	6	9	1	0	3	21	30

Workforce Tables

Org: USAID/Poland End of year On-Board	SO 1.3	SO 1.4	SO 2.3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2000 Target																
OE Funded: 1/																
U.S. Direct Hire			1					1	1	1	1				3	4
Other U.S. Citizens								0						1	1	1
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	1	5	8	1		1	16	16
Subtotal	0	0	1	0	0	0	0	1	2	6	9	1	0	2	20	21
Program Funded 1/																
U.S. Citizens	1	1						2							0	2
FSNs/TCNs	1							1							0	1
Subtotal	2	1	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total Direct Workforce	2	1	1	0	0	0	0	4	2	6	9	1	0	2	20	24
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	2	1	1	0	0	0	0	4	2	6	9	1	0	2	20	24
FY 2000 Request																
OE Funded: 1/																
U.S. Direct Hire			1					1	1	1	1			1	4	5
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	1	5	8	1		1	16	16
Subtotal	0	0	1	0	0	0	0	1	2	6	9	1	0	2	20	21
Program Funded 1/																
U.S. Citizens	1	1						2							0	2
FSNs/TCNs	1							1							0	1
Subtotal	2	1	0	0	0	0	0	3	0	0	0	0	0	0	0	3
Total Direct Workforce	2	1	1	0	0	0	0	4	2	6	9	1	0	2	20	24
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	2	1	1	0	0	0	0	4	2	6	9	1	0	2	20	24

Workforce Tables

Org: USAID/Poland End of year On-Board FY 2001 Target	SO 1.3	SO 1.4	SO 2.3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
OE Funded: 1/																
U.S. Direct Hire								0							0	0
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program Funded 1/																
U.S. Citizens								0							0	0
FSNs/TCNs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Direct Workforce	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2001 Request																
OE Funded: 1/																
U.S. Direct Hire								0							0	0
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program Funded 1/																
U.S. Citizens								0							0	0
FSNs/TCNs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Direct Workforce	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Workforce

MISSION : **USAID\Poland**

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01SMG	1	1		
02 Program Officer				
03 EXO	1	1		
04 Controller	1	1		
05/06/07 Secretary				
10 Agriculture				
11 Economics				
12 GDO				
12 Democracy	1	1		
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment				
50 Health/Pop.				
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*	1			
TOTAL	5	4	0	0

*please list occupations covered by other if there are any

Operating Expenses

Org. Title: USAID/Poland		Overseas Mission Budgets														
Org. No: 22181		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH			0			0			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	120.9		120.9	174		174	174		174			0			0
11.8	FN PSC Salaries	534		534	455.3		455.3	455.3		455.3			0			0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	654.9	0	654.9	629.3	0	629.3	629.3	0	629.3	0	0	0	0	0	0
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0			0			0			0			0
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0	7		7	7		7			0			0
12.1	Other Misc. USDH Benefits	2.5		2.5	2.5		2.5	2.5		2.5			0			0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits			0			0			0			0			0
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits	5		5	5		5	5		5			0			0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	7.5	0	7.5	14.5	0	14.5	14.5	0	14.5	0	0	0	0	0	0
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0	163.3		163.3	163.3		163.3			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0

Operating Expenses

Org. Title: USAID/Poland		Overseas Mission Budgets														
Org. No: 22181		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
	Subtotal OC 13.0	0	0	0	163.3	0	163.3	163.3	0	163.3	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	20		20	10		10	10		10			0			0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0			0			0			0			0
21.0	Assignment to Washington Travel			0	9		9	9		9			0			0
21.0	Home Leave Travel			0	11.5		11.5	11.5		11.5			0			0
21.0	R & R Travel	5		5			0			0			0			0
21.0	Education Travel			0			0			0			0			0
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0	2		2	2		2			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	10		10	15		15	15		15			0			0
21.0	Site Visits - Mission Personnel	8.5		8.5	10		10	10		10			0			0
21.0	Conferences/Seminars/Meetings/Retreats	7.9		7.9	9		9	9		9			0			0
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	15		15	20		20	20		20			0			0
	Subtotal OC 21.0	66.4	0	66.4	86.5	0	86.5	86.5	0	86.5	0	0	0	0	0	0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0	70		70	70		70			0			0
22.0	Home Leave Freight			0	7		7	7		7			0			0
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	4		4	5		5	5		5			0			0
22.0	Transportation/Freight for Res. Furniture/Equip.	1		1	2		2	2		2			0			0
	Subtotal OC 22.0	5	0	5	84	0	84	84	0	84	0	0	0	0	0	0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	475		475	480		480	480		480			0			0
23.2	Rental Payments to Others - Warehouse Space	26		26	27.7		27.7	27.7		27.7			0			0
23.2	Rental Payments to Others - Residences	148.8		148.8	90.6		90.6	90.6		90.6			0			0
	Subtotal OC 23.2	649.8	0	649.8	598.3	0	598.3	598.3	0	598.3	0	0	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	11		11	10		10	10		10			0			0
23.3	Residential Utilities	17		17	15		15	15		15			0			0
23.3	Telephone Costs	35		35	30		30	30		30			0			0
23.3	ADP Software Leases			0			0			0			0			0

Operating Expenses

Org. Title: Org. No: OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs	4		4	4		4	4		4			0			0
23.3	Courier Services			0	1		1	1		1			0			0
	Subtotal OC 23.3	67	0	67	60	0	60	60	0	60	0	0	0	0	0	0
24.0	Printing and Reproduction	5		5	5		5	5		5			0			0
	Subtotal OC 24.0	5	0	5	5	0	5	5	0	5	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services			0	45		45	45		45			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	0	0	0	45	0	45	45	0	45	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	30		30	30		30	30		30			0			0
25.2	Residential Security Guard Services	28		28	15		15	15		15			0			0
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances	1		1	5		5	5		5			0			0
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees	1.5		1.5	1.5		1.5	1.5		1.5			0			0
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts	4.3		4.3	5		5	5		5			0			0
25.2	Records Declassification & Other Records Services			0	10		10	10		10			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	35		35	35		35	35		35			0			0
25.2	Staff training contracts	12		12	12		12	12		12			0			0
25.2	ADP related contracts	4.2		4.2			0			0			0			0
	Subtotal OC 25.2	116	0	116	113.5	0	113.5	113.5	0	113.5	0	0	0	0	0	0
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	196.4		196.4	216.1		216.1	216.1		216.1			0			0
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	196.4	0	196.4	216.1	0	216.1	216.1	0	216.1	0	0	0	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0	2		2	2		2			0			0
25.4	Residential Building Maintenance			0	12		12	12		12			0			0
	Subtotal OC 25.4	0	0	0	14	0	14	14	0	14	0	0	0	0	0	0

Operating Expenses

Org. Title: USAID/Poland Org. No: 22181 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	1		1	3		3	3		3			0			0
25.7	Storage Services			0	1		1	1		1			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	3.5		3.5	1		1	1		1			0			0
25.7	Vehicle Repair and Maintenance	4		4	3		3	3		3			0			0
25.7	Residential Furniture/Equip. Repair and Maintenance	3.5		3.5	1		1	1		1			0			0
Subtotal OC 25.7		12	0	12	9	0	9	9	0	9	0	0	0	0	0	0
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0			0			0
Subtotal OC 25.8		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	20		20	15		15	15		15			0			0
Subtotal OC 26.0		20	0	20	15	0	15	15	0	15	0	0	0	0	0	0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0	1		1			0			0			0
31.0	Purchase of Office Furniture/Equip.	5		5	1		1	1		1			0			0
31.0	Purchase of Vehicles			0			0	1		1			0			0
31.0	Purchase of Printing/Graphics Equipment	5		5			0			0			0			0
31.0	ADP Hardware purchases	40		40	2		2	2		2			0			0
31.0	ADP Software purchases			0	1		1	1		1			0			0
Subtotal OC 31.0		50	0	50	5	0	5	5	0	5	0	0	0	0	0	0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
Subtotal OC 32.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		1850	0	1850	2058.5	0	2058.5	2058.5	0	2058.5	0	0	0	0	0	0

Additional Mandatory Information

Dollars Used for Local Currency Purchases

1298

1305

Exchange Rate Used in Computations

3.5

3.75

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
On that form, OE funded deposits must equal:

0

0

0

0

0

Organization: USAID/Poland

Foreign National Voluntary Separation Account								
Action	FY 1999			FY 2000			FY 2001	
	OE	Program	Total	OE	Program	Total	OE	Program Total
Deposits			0.0			0.0		0.0
Withdrawals			0.0			0.0		0.0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Controller Operations

Org. Title: CONTROLLER OFFICE																
Org. No: 22181		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0			0			0
11.5	FNDH			0			0			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0	0		0			0			0			0
11.8	FN PSC Salaries	185		185	146		146	146		146			0			0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	185	0	185	146	0	146	146	0	146	0	0	0	0	0	0
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0			0			0			0			0
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances			0			0			0			0			0
12.1	Quarters Allowances			0	2.5		2.5	2.5		2.5			0			0
12.1	Other Misc. USDH Benefits			0	1		1	1		1			0			0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits			0			0			0			0			0
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits			0	1.5		1.5	1.5		1.5			0			0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	0	0	0	5	0	5	5	0	5	0	0	0	0	0	0
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0	43.4		43.4	43.4		43.4			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	43.4	0	43.4	43.4	0	43.4	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel			0			0			0			0			0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0			0			0			0			0
21.0	Assignment to Washington Travel			0	2.5		2.5	2.5		2.5			0			0
21.0	Home Leave Travel			0	3		3	3		3			0			0
21.0	R & R Travel	2.1		2.1			0			0			0			0
21.0	Education Travel			0			0			0			0			0
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0			0			0			0			0
21.0	Site Visits - Mission Personnel			0	1		1	1		1			0			0
21.0	Conferences/Seminars/Meetings/Retreats	2.1		2.1	1.5		1.5	1.5		1.5			0			0

Controller Operations

Org. Title: CONTROLLER OFFICE		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
Org. No: 22181																
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	15		15	7		7	7		7			0			0
	Subtotal OC 21.0	19.2	0	19.2	15	0	15	15	0	15	0	0	0	0	0	0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0	18		18	18		18			0			0
22.0	Home Leave Freight			0	2		2	2		2			0			0
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.			0			0			0			0			0
22.0	Transportation/Freight for Res. Furniture/Equip.			0			0			0			0			0
	Subtotal OC 22.0	0	0	0	20	0	20	20	0	20	0	0	0	0	0	0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	68		68	68		68	68		68			0			0
23.2	Rental Payments to Others - Warehouse Space			0			0			0			0			0
23.2	Rental Payments to Others - Residences	36		36	36		36	36		36			0			0
	Subtotal OC 23.2	104	0	104	104	0	104	104	0	104	0	0	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	3		3	2		2	2		2			0			0
23.3	Residential Utilities	3		3	3		3	3		3			0			0
23.3	Telephone Costs	10		10	8		8	8		8			0			0
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs			0			0			0			0			0
23.3	Courier Services			0			0			0			0			0
	Subtotal OC 23.3	16	0	16	13	0	13	13	0	13	0	0	0	0	0	0
24.0	Printing and Reproduction			0			0			0			0			0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services			0	35		35	35		35			0			0
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	0	0	0	35	0	35	35	0	35	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0			0			0			0			0
25.2	Residential Security Guard Services	4.8		4.8	3.7		3.7	3.7		3.7			0			0
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances			0			0			0			0			0
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees			0			0			0			0			0
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts			0			0			0			0			0
25.2	Records Declassification & Other Records Services			0	3		3	3		3			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	4		4	4		4	4		4			0			0
25.2	Staff training contracts			0	4		4	4		4			0			0
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	8.8	0	8.8	14.7	0	14.7	14.7	0	14.7	0	0	0	0	0	0
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Controller Operations

Org. Title: CONTROLLER OFFICE																
Org. No: 22181		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.3	ICASS	53.4		53.4	58.7		58.7	58.7		58.7			0			0
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	53.4	0	53.4	58.7	0	58.7	58.7	0	58.7	0	0	0	0	0	0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0			0			0			0			0
25.4	Residential Building Maintenance			0			0			0			0			0
	Subtotal OC 25.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0			0			0			0			0
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance			0			0			0			0			0
25.7	Vehicle Repair and Maintenance			0			0			0			0			0
25.7	Residential Furniture/Equip. Repair and Maintenance			0			0			0			0			0
	Subtotal OC 25.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.8	Subsistance & spt. of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	1		1	1		1	1		1			0			0
	Subtotal OC 26.0	1	0	1	1	0	1	1	0	1	0	0	0	0	0	0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0			0			0			0			0
31.0	Purchase of Office Furniture/Equip.			0			0			0			0			0
31.0	Purchase of Vehicles			0			0			0			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases			0			0			0			0			0
31.0	ADP Software purchases			0			0			0			0			0
	Subtotal OC 31.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		387.4	0	387.4	455.8	0	455.8	455.8	0	455.8	0	0	0	0	0	0

Additional Mandatory Information

Dollars Used for Local Currency Purchases

Exchange Rate Used in Computations

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
On that form, OE funded deposits must equal:

0

0

0

0

0

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1998		FY 1999		FY 2000	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 1.3: Private sector development is stimulated at the firm level	Development Credit Authority	medium-high	3 years (1998-2000)	0	500	1000	0	0	0
SO 1.4: A competitive, market-oriented financial sector is developed	Loan Portfolio Guarantee	medium-high	4 years (1998-2001)	0	226	0	0	0	0
SO 1.4: A competitive, market-oriented financial sector is developed	Housing Guarantee Loan	low	6 years (1993 - 1999)	0	0	0	0	0	0
SO 2.3: local government is effective, responsive and accountable	RUDO Operating Expenses	high	2 years (1998-1999)	0	431	0	302	0	247
SO 2.3: local government is effective, responsive and accountable	Poland - Local Govt. Health Service Management	medium-high	2 years (1998-1999)	700	0	0	0	0	0
SO 2.3: local government is effective, responsive and accountable	Conference on housing finance	high	1 year (1999)	0	0	150	50	0	0
SO 2.3: local government is effective, responsive and accountable	Condominium Development Program	medium	2 years (1998-1999)	0	0	0	0	0	0
SO 4.1: Special Initiatives	TRANSIT - Training for Societies in Transition	high	3 years (1998-2000)	300	0	0	0	0	0
SO 4.1: Special Initiatives	FTUI - Support to Solidarity BKN	high	2 years (1998-1999)	0	0	50	0	0	0
GRAND TOTAL.....				1,000	1,157	1,200	352	0	247

* For Priorities use high, medium-high, medium, medium-low, low

Funds were carried over from FY98

USAID/Poland Schedule for Termination of Principal Activities

Strategic Objective/Activity Name	planned enddt	FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 1.3 Private Sector Enterprise Development											
World Env. Center (WEC)	3/99	X	X								
Telecommunications Training	5/99		X	X							
WID SME Support II (FDPA)	6/99	X	X	X							
ABA/CEELI - Commercial Law	7/99	X	X	X	X						
Management Training Large Grants - Univ. of Maryland	9/99	X	X	X	X						
Cooperative Housing in a Market Economy	9/99	X	X	X	X						
Energy Regulatory Authority (Bechtel)	9/99	X	X	X	X						
SME Development /CAER II/GEMINI	10/99	X	X	X	X	X					
Industry Contracts - Energy Efficiency (Electrotek)	12/99	X	X	X	X	X					
SME Assistance and Development (ACDI/Firma 2000)	3/2000	X	X	X	X	X	X				
Monitoring GCC	6/2000		X	X	X	X	X	X			
IAA with Treasury - Tax Administration	6/2000	X	X	X	X	X	X	X			
Management Training Large Grants - Univ. of Minnesota	6/2000	X	X	X	X	X	X	X			
Development Credit Authority (TBD)	9/2000		X	X	X	X	X	X			
SME BSO Technology Transfer (Fabrykat 2000)	9/2000	X	X	X	X	X	X	X	X		
Polish-American Enterprise Fund (PAEF)	9/2000	X	X	X	X	X	X	X	X		

USAID/Poland Schedule for Termination of Principal Activities

Strategic Objective/Activity Name	planned enddt	FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 1.4 Financial Sector Development											
Bank System Development (Credit Rating)	5/99	X	X	X							
WOCCU - Building the Polish Credit Union System	9/99	X	X	X	X						
Private Pension Funds II (Profile)	9/99	X	X	X	X						
Urban Institute: Housing Finance	10/99	X	X	X	X	X					
Private Pension Funds III (Price Waterhouse)	5/2000	X	X	X	X	X	X	X			
National Bank of Poland/Supervision(Barents)	6/2000	X	X	X	X	X	X	X			
FSVC	7/2000	X	X	X	X	X	X	X	X		

USAID/Poland Schedule for Termination of Principal Activities

Strategic Objective/Activity Name	planned enddt	FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 2.3 Local Government											
Utility Pricing Legislation	6/99	X	X	X							
Decentralization of Public Finance (DAI)	9/99	X	X	X	X						
Poland - Local Govt.-Health Service Mgt.	12/1999	X	X	X	X	X					
Klodzko Historic Revitalization (flood) CHF	1/2000	X	X	X	X	X	X				
Housing and Municipal Policy (TBD)	3/2000		X	X	X	X	X				
Increasing Municipal Access to Capital	4/2000		X	X	X	X	X	X			
Community Development (FISE)	6/2000		X	X	X	X	X	X			
FSLD/Local Government / Community Action	6/2000	X	X	X	X	X	X	X			
Municipal Development/MDA	6/2000	X	X	X	X	X	X	X			
Regional Development Strategy (GIME)	6/2000	X	X	X	X	X	X	X			
Energy Cities (FEWE)	9/2000	X	X	X	X	X	X	X	X		
LGPP	3/2001	X	X	X	X	X	X	X	X	X	X

USAID/Poland Schedule for Termination of Principal Activities

Strategic Objective/Activity Name	planned enddt	FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 4.1 Special Initiatives											
Political Party Building Program (NDI)	1/99	X	X								
East - East Dissemination (CASE)	3/99	X	X								
PROWID - Family Planning/Women Empowerment	3/99	X	X								
Warsaw Journalism Center	6/99	X	X	X							
Solidarity BKN Pension Reform Education	9/99	X	X	X	X						
CASE - Sustaining Growth	9/99	X	X	X	X						
Krakow Low Emissions Project	12/99	X	X	X	X	X					
US DOL - Labor Market Transition	3/2000	X	X	X	X	X	X				
EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agriculture	6/2000	X	X	X	X	X	X	X			
GCC Program	9/2000	X	X	X	X	X	X	X	X		
Removal of the Skawina Scrubber Unit (TBD)	9/2000	X	X	X	X	X	X	X	X		
SO 4.2 Cross-cutting											
Disaster Preparedness Training (FEMA)	6/99	X	X	X							
Social Sector Research (Polish Academy of Science)	9/99	X	X	X	X						
Customs Training	9/99	X	X	X	X						
Social Sector Reforms (TBD)	6/2000		X	X	X	X	X	X			
Polish Know How Fund	6/2000		X	X	X	X	X	X			
TRANSIT - Training for Societies in Transition	6/2000	X	X	X	X	?	?	?			
Special Initiatives Support	9/2000	X	X	X	X	X	X	X	X		

Table does not show the USIA, Peace Corps and Georgetown activities, because they do not require staff time

activity name	planned enddt
SO 1.3 (Private Sector Enterprise Dev.)	
<u>I.R.1 Policies, laws and regulations</u>	
ABA/CEELI - Commercial Law	7/99
SME Development /CAER II/GEMINI	10/99
IAA with Treasury - Tax Administration	6/2000
<u>I.R. 2 Improved profitability of SME enterprises</u>	
World Env. Center (WEC)	3/99
Polish-American Enterprise Fund (PAEF)	9/2000
Management Training Large Grants - Univ. of Maryland	9/99
Management Training Large Grants - Univ. of Minnesota	6/2000
Industry Contracts - Energy Efficiency (Electrotek)	12/99
Cooperative Housing in a Market Economy	9/99
WID SME Support II (FDPA)	6/99

SO 1.4 (Financial Sector Dev.)	
<u>I.R. A Increased confidence in the financial sector</u>	
National Bank of Poland/Supervision(Barents)	6/2000
Bank System Development (Credit Rating)	5/99
<u>I.R. B Improved efficiency of financial markets</u>	
#REF!	#REF!
WOCCU - Building the Polish Credit Union System	9/99
FSVC	7/2000
<u>I.R. C Increased availability of standard financial services and products</u>	
Private Pension Funds III (Price Waterhouse)	5/2000
#REF!	#REF!
Urban Institute: Housing Finance	10/99

SO 2.3 (Local Government)	
Poland - Local Govt.-Health Service Mgt.	12/1999
#REF!	#REF!
#VALUE!	#VALUE!
FSLD/Local Government / Community Action	6/2000
Energy Cities (FEWE)	9/2000
#REF!	#REF!
Municipal Development/MDA	6/2000
LGPP	3/2001
#REF!	#REF!
#REF!	#REF!
#REF!	#REF!

SO 4.1 (Special Initiatives)	
Environmental Project - Cash Transfer (Skawina)	#REF!
Political Party Building Program (NDI)	1/99
#REF!	#REF!
Warsaw Journalism Center	6/99
Krakow Low Emissions Project	12/99
US DOL - Labor Market Transition	3/2000
EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agriculture	6/2000
SO 4.2 (Support to all three Strategic Objectives)	
#REF!	#REF!
TRANSIT - Training for Societies in Transition	6/2000

USAID/Poland Schedule for Termination of Principal Activities

TABLE 3

[illegible]

USAID/Poland Schedule for Termination of Principal Activities

TABLE 3

[illegible]

USAID/Poland Schedule for Termination of Principal Activities

TABLE 3

[illegible]

USAID/Poland Schedule for Termination of Principal Activities

TABLE 3

[illegible]

USAID/Poland Schedule for Termination of Principal Activities

TABLE 3

[illegible]

USAID/POLAND FY 2001 INFORMATION ANNEX

Environmental Impact

IEE/EAs for FY 99: USAID/Poland has reviewed its portfolio of new or amended activities to be obligated and implemented in FY 99. There are several activities that may require an Initial Environmental Examination:

- *Global Climate Change Program.* This new activity is planned as cash transfer-for-policy change program assistance. The notional amount of the program is \$5.0 million, although some additional program assistance is possible if the GOP's policy agenda (under development) is particularly strong. The dollar proceeds of the cash transfer would be used for imports of U.S. technology, including equipment, related services, and other expertise. USAID will not have direct control over these GOP-owned dollar proceeds, and no local currency generations *per se* are anticipated at this time. IEE timeframe: May, 1999.
- *Development Credit Authority.* This new activity will be a guarantee for lines of credit for GCC/environmental investments opened by one or more Polish banks. The total amount of DCA for the Poland program is projected at \$1.5 million, which should leverage up to \$30 million (50% of 1:10 leveraged guarantees) in investments. IEE timeframe: May, 1999.
- *Local Government Partnership Program.* Continuing activity. This is a \$26 million activity aimed at assisting local government authorities (*gminas*) to improve their planning and management and subsequent service delivery to citizens. Major technical assistance and training is ongoing in areas such as the planning and financing of capital infrastructure, and potable water, wastewater and solid waste management. LGPP will also conduct a \$1.0 million development grants program as a means of developing and disseminating local governance "best practices". Review IEE: June, 1999.

ENI/EEUD is requested to assess the above IEE areas to determine whether IEEs are appropriate, or categorically excepted, and to advise the Mission. The Mission may request ENI/EEUD assistance in completing the IEE for the GCC Program, if required.

Strategic Objective/Activity Compliance: USAID/Poland has reviewed ongoing activities and has determined that they are in compliance with approved IEEs or Environmental Assessments.

USAID/POLAND FY 2001 INFORMATION ANNEX

Global Climate Change

USAID/Poland's contribution to GCC remains within the two main categories:

- 1: Reduced emissions from the energy sector, industry and urban areas.
- 2: Increased participation in the Framework Convention on Climate Change (UNFCCC).

GCC Financial Plan by USAID/Warsaw (in \$million)

Activity:	FY1998 obligations	FY1999 obligations
Local Government Partnership Program (LGPP)	2.0	2.5
Bechtel (Regulatory)	0.99	-----
Bechtel (ERA/MOU)	0.64	-----
Electrotek (energy efficiency)	0.5	-----
GHG Inventory	-----	0.056
GCC Program Assistance	-----	5.00
DOL/Displaced workers-Upper Silesia	1.73	-----
TOTAL:	5.86	7.556

Programmatic achievements (cumulatively, through FY98):

A: Reduced emissions from the energy sector, industry and urban areas.

1. ***Decreased CO₂ emitted per MW-h of energy produced*** (based on the Poland's Second National Report to the UNFCCC. Results of the Third report with data on 1997 inventory will be known in April, 1999)

	Total final energy use (solid fuels, liquid fuels, gaseous fuels, electricity, heat other) [PJ]	C02 emission (fuel combustion) [Gg]	C02 emission/total final energy use [Gg/PJ]
1988 (base year)	3953	462 998	117.13
1992	2933	360 927	123.06
1994	3144	362 083	115.17
1996	3606	363 499	100.80
1997	Tbd	Tbd	Tbd
1998			

2. National/sub-national policy advances in the energy sector, industry and urban areas that contribute to the avoidance of greenhouse gas emissions:

- Total amount of national and subnational policy changes: 33 (preparatory works for the Thermomodernization Act, implementation of the Energy Law and its 15 regulations, and 16 local level city resolutions) in such areas as: improved demand side management or integrated resource planning, competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers, installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes.

2. Strategies/audits that contribute to the avoidance of greenhouse gas emissions:

- Total amount of strategies/audits completed: 82;
- Total amount of strategies/audits implemented: 13 ;
(mainly: energy audits of buildings, industrial environmental adjustment plans, street lighting modernization plans, DS/IRP strategies, etc.)

3. Dollars leveraged through agreements with USAID donor partners (energy, industry and urban sectors):

- Total amount leveraged: about \$21 mil. (mainly through: TA, know-how transfer, facilitation of implementation of energy efficiency investments, leveraging funds of other donors, banks, environmental funds).

4. Institutional Capacity Strengthened/Increased capacity to address global climate change issues through workshops, research, and/or training activities.

- Total amount of institutions trained: above 500 (municipalities, SMES, NGOs, industries, in such areas as : Improved demand side management or integrated resource planning; Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers; Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes, energy in municipal planning; Financing of energy efficiency projects; Ecological policy and environmental audits in *gminas*.

B: Increased participation in the Framework Convention on Climate Change (UNFCCC).

USAID/Poland continues to cooperate with the Ministry of Environment, to support Polish Government (GOP) initiatives to mitigate global climate change. This program assistance (approximately \$4-5 million) would be provided in response to recent and projected GOP legislative, regulatory, and policy changes ("reforms") enhancing the prospects for environmental protection and greater energy efficiency .

The program assistance, in preparation, adoption, implementation and/ or enforcement of the "reforms" may cover the following areas:

- establishment of a sustainable system of national inventory and monitoring of GHG;
- preparation of national or sectoral Climate Change Action Plans;
- development procedures for receiving, evaluating, and approving JI proposals;
- implementation of flexible market mechanisms;
- improved land use planning;
- sustainable forest management;
- establishment and conservation of protected areas;
- facilitation of improved demand side management or integrated resource planning;
- facilitation of competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers;
- facilitation of the installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes;
- facilitation of the use of renewable energy technologies;
- facilitation of the use of cleaner fossil fuels (cleaner coal or natural gas);
- facilitation of the introduction of cleaner modes of transportation and efficient transportation systems;
- promotes the use of cogeneration;
- harmonization of Polish law with the EU requirements in the relevant areas;

The reform plan and timetable will be discussed and mutually agreed between USAID and the GOP by May 30, 1999. The plan provides that the GOP would endeavor to complete the agreed reform agenda by December 31, 1999, and based on implementation of these reforms, USAID would disburse dollars into a GOP-owned separate bank account. The account's dollar proceeds would be drawn down by September 30, 2000 for

financing importation of global climate change-related technology from the United States, including equipment, expert advisory services, software and training. USAID has requested that the GOP sign the Program Assistance Grant Agreement with USAID/Poland by June 30, 1999. Negotiations on the language and content of this agreement, including the policy agenda and institutional arrangements for implementing the program, are underway.